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Canada
IN THE
Cellulose
Age
PAGE 9

The Nation's Business

Tax-exiled Canadians

Are We Wise to Drive Them Out?

Fear of C.I.O. Factor in Defeat of Court Bill

Reorganizing Abitibi

Bondholders Produce Another Plan

Is Irrigation Remedy For Drought Areas?

The Goose That Was No Goose

HARRY OAKES, until about two years ago, was a citizen of Niagara Falls, Ontario. It would take a column to list the many friendly and generous things he did for that city and other communities along the Niagara frontier.

He donated the Clifton Hotel site for an open-air theatre. He provided the cost of a bridle path along the river. He gave freely to the relief funds of several of the municipalities. He provided milk for underprivileged children. He bought the right-of-way for a much-needed highway down the escarpment back of the Falls and paid the cost of retaining walls, pavement, etc.

Harry Oakes was constantly thinking of things to do for the Niagara area. He used to walk around looking for possibilities of beautifying the landscape or ameliorating the lot of the citizens. He had in mind doing many other things for the community. One of his ideas, for example, was to turn the architecturally beautiful generating plant of the Electrical Development Company into a convention hall.

He bought about a third of the land from Niagara Falls to Fort Erie back of the highway. Those who know him say that his ultimate intention was to deed this in trust as public parklands.

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MR. OAKES built himself a fine home at the Falls and turned an uncouth area of rock and bramble into a landscape gardeners' dream. He paid heavily in local taxes.

In addition, he was probably the largest single contributor to the public revenues of the Dominion of Canada. His income tax payments are, of course, not known, but it is likely that they were about $3,000,000 a year, for he had a very large income from his investments in Lake Shore and Wright-Hargreaves Mines.

The percentage of his income left to him after paying taxes was very small. In one year, The Financial Post has been informed, he paid in all kinds of taxes more than 100% of his income, although this would not be normal. But whatever was left to him of his income after the tax collectors—Dominion, provincial and local—got through with him was spent or invested largely on behalf of the people of Canada. Mr. Oakes seemed to regard his wealth as a public trust to be administered accordingly. What he could spend on himself and his family was but a tiny fraction of the revenue he received.

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TAXING politicians drove Mr. Oakes out of Canada. In their zeal to "soak the rich" and "share the wealth" they forced Mr. Oakes to take up his domicile elsewhere. Where he has gone and why was told in a full-page feature article in last week's issue.

Now Canada gets only a fraction of the tax revenues from Oakes that it once got.

He has transferred his philanthropy and public interest to Nassau, where taxes are low and other attractions—climate, security and human associations—do not fall far short of those offered by Canada.

To Nassau he has already given a bus service for the island of New Providence. He has provided a plane service to the American mainland. He is developing for the public use a nursery for rare plants. He has given the island a new golf course. He has only begun and will no doubt devote the major portion of the $3 millions of tax money that he saves annually to gilding the Nassau lily.

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OTHER Canadians have been driven out of this country by excessive taxation. W. A. Black, of Montreal, lives in the Jersey Islands. W. H. Wright apparently was on the verge of going, but has been induced to stay. Sir Herbert Holt, C. H. Carlisle, R. S. McLaughlin are among the many who have bought estates outside of Canada but have yet given no indication of establishing new domiciles. They still pay their taxes in Canada. But who could blame them if they decided to go?

Should Canadians not think furiously about this movement of wealthy people away from the tax-persecution we have imposed upon successful men of substance?

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THIS is not an argument against the income tax or against surtaxes. The only point at issue is how to determine the rate of taxation that will bring in the largest revenue to the public treasury with the least harm to the country. There is a law of diminishing returns in taxation. Surtaxes can reach the

(Continued on page 2, col. 5)

Social Credit Chief Makes Fourth Start

New Legislation Planned When House Meets on Aug. 4

BANK MANOEUVRE

From Our Own Correspondent

EDMONTON.—The Aberhart Government plans to equip itself, for the fourth time, with legislation to establish social credit, when the Alberta Legislature meets in special session Aug. 4.

The first definite steps toward social credit, if one is to believe the flood of government assurances currently issuing from Aberhart lieutenants and the premier himself, will be taken in August. The official claim that the Alberta Government means business this time is being discounted by past starts towards Mr. Aberhart's objectives, starts that fizzled.

The Social Credit Government moves, as always, in a shroud of mystery, but a double-barrelled programme for the erection of a domestic credit system in Alberta is apparent in recent activities of the administration.

1. A gesture toward the banks, inviting them to provide the credits for a social credit system.

2. An effort to convert external debts into treasury "credits."

Manoeuvring the Banks

The first proposal derives from advice originally offered to Premier Aberhart by Major Douglas in 1935, when he suggested that the banks be asked to provide $5 millions in credit to the province, on which no repayment would be made and only a minimum rate of interest would apply. A favorite belief with the Scottish theorist has been that, in establishing social credit, the bankers should be directed to operate the system, in preference to setting up a separate credit system, as Mr. Aberhart once thought necessary in his state credit house scheme.

Douglas, it is accepted generally, confines his interest in Alberta at the present stage, to what he calls "strategy." In plain language, the present purpose is to manoeuvre the banks into a position where the onus for not providing "social credits" will appear to rest upon them. A statement from Mr. Aberhart provides the clue to the "strategy" which he is now promoting, on the suggestion of Douglas's two agents Alberta. The premier said: "If the banks refuse to meet the situation at once, they would betray an inexcusable indifference to the welfare of our people and their reputation for service to the public would be greatly discredited."

A letter to the banks from Hon. Solon Low, provincial treasurer, carefully conceals details of what the government proposes, but puts forth the argument that, since only 20 cents exists in the province for each $1 of debt owing, adjustments in the banking system must be made. The banks are invited to arrange the adjustments.

The second feature of the new Aberhart programme concerns the public debt and the invitation issued to all Alberta bond and security holders to register by Aug. 16. A proposal originating with Major Douglas holds that public bonds, issued in the past on the credit of Alberta, can be translated into purchasing power merely by converting them into treasury "credits."

The effect of this proposal is this: a bondholder owning a $1,000 bond would be required to turn in his bond to the treasury and receive in return a credit account, upon which he would be entitled to draw cheques.

The crux of the matter, according to reliable hints from government circles, comes when the banks, assuming they accede to the invitation to co-operate, furnish actual currency to the amount represented in the new treasury credits, circulating by means of cheques or certificates.

Highlights

Pulp Plastics

Vast expansion of Canadian sulphite pulp production may foreshadow new industries using wood as raw material for plastics, textile and paper. Chemical research finds new uses for Canadian wood cellulose. Page 9

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Argentine Recovery

Argentina's improved fiscal position results from conversion loan and credit rating is now highest of all Latin-American countries. Page 11

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Investment Trusts

Leading Canadian investment trust securities are growing in favor but their real testing time is till ahead. Brief analyses of leading trusts on Page 3

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Cadillac's Mines

Mills, shafts and ore-dumps follow N.W. Quebec mining development boom of last year. Page 15

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Realm leader Adolph Hitler, photographed at the opening of the congress of the International Chamber of Commerce by Murray Chipman of The Financial Post.

Dr. Goebbels, minister of propaganda, arrives for the conference.

Berlin Trade Congress Issues Appeal to World

Canadians Active in Debate of World Problems

By MURRAY R. CHIPMAN
Eastern Manager, The Financial Post

BERLIN. — The Biennial Congress of the International Chamber of Commerce was a most impressive gathering of the business and financial leaders of the world. Its sessions concluded with a ringing challenge to the nations to break down the barriers that obstruct business and trade and that prevent the return of security and peace.

There were Canadians present at the conference but only one had been officially appointed. The International Chamber is a federation of the world's major associations of businessmen, but the Canadian Chamber of Commerce has not yet affiliated with it.

It was an impressive and representative congress of over 1,600 delegates from 40 countries. Naturally Germany led in members with 549 delegates. Great Britain was next with 166, in addition to Australia's 15, South Africa's one and India's 22 delegates. The United States sent 117 representatives; Italy, 51; Japan, 46.

Canadian Spokesmen

Canada was on deck with P. W. Ward, branch manager of Sun Life Assurance Company of Canada, London (England), as the official delegate of the Canadian Chamber of Commerce. Then there was L. C. Rideal, manager of the T. Eaton Company in Berlin, whose buying trips covering Germany and central Europe keep him thoroughly on the move. Other delegates included

Dr. Hjalmar Schacht (left), Germany's financial head, poses for The Financial Post.

Arthur W. Treadway, the capable and courteous Berlin manager for the Canadian Pacific Railway, and J. C. Macgillivray, Canadian Gov-

(Continued on page 2, col. 6)

St. Maurice Power Unit Plan Ready

Brown Co. and Shawinigan Undertake $15 Millions Scheme

BIGGER PULP MILL

From Our Own Correspondent

MONTREAL.—Joint arrangements have been made by the Brown Co. and Shawinigan Water and Power Co. for a $15 millions water power development at La Tuque, on the Upper St. Maurice River.

This project forms part of a major industrial development that will be carried out in the Valley by the Brown Co., including a substantial increase in the company's sulphite mill facilities. Expenditure over the course of the next few years is likely to run well over $20 millions and have a considerable influence on the economic activity of the area.

The power development which will be carried out by the newly-formed St. Maurice Power Co., will provide for the construction of a dam and plant with an initial capacity of more than 150,000 h.p. Provision has been made for the installation of six units, but only four will be installed at this time. The hydraulic turbines will have a rating of 40,500 h.p., while the generators will each have a rating of 37,500 k.v.a.

Plans Filed

At the moment plans are deposited with the Federal Government for approval under the Navigable Waters Act. The project has already been approved by the Quebec Electricity Commission. Initial construction work on the dam will start next spring and it is anticipated that the plant will be completed some time during the winter of 1939-1940.

A striking feature of this new development is that the St. Maurice Power Co. expects to be able to dispose of at least one-half of the entire output to Brown Co. as soon as the plant is in operation. The La Tuque unit will be operated by Shawinigan Water and Power Co. and tied in with that company's St. Maurice system.

This will bring Shawinigan's supply of electrical energy—directly or indirectly owned and exclusive of purchased power—to more than one million horsepower. It will also mean that on the basis of estimated growth in the power load, Shawinigan will have sufficient power to meet its requirements until 1943.

It is expected that a share of the cost of this undertaking will be publicly financed by the St. Maurice Power Co. though this will not be undertaken immediately as capital funds will not be required until next year.

Indirectly associated with the La Tuque development is the announcement made this week by Shawinigan of the construction near Three Rivers of a $750,000 power terminal and substation. This work will be completed by the end of the year.

The construction of this station is characterized by the company as a major step in the projected development of the Upper St. Maurice River which will eventually bring to the industrial areas of the province more than a million h.p. at present unharnessed on stretches of the river ranging from 110 to 175 miles north of Shawinigan Falls.

Where Does C.I.O. Now Stand?

How successful has the C.I.O. been in Canada?

Is it a rising, receding or dormant threat to unorganized industry in the Dominion?

Next week The Financial Post will analyze the progress of the C.I.O. since its spectacular challenge to industry early this year.

In the same issue Murray R. Chipman, eastern manager of The Financial Post will contribute a survey of economic conditions in Germany.

Bondholders Confident Abitibi Plan Will Carry

Ripley Reorganization Provides More Money and Less Debt

Comparison of the "Ripley" plan of the bondholders' committee for reorganization by judicial sale and the liquidator's plan of compromise under company laws shows marked contrast in these two most prominent schemes for reorganization of Abitibi Power & Paper Co.

The Ripley plan starts out with provision of $5 millions more money, but $1¾ million less total debt, and 212,305 fewer common shares than the liquidator's proposals. The effect of this is to make it misleading even though it is unavoidable to compare the number of shares offered for each security under the two plans, as it may be contended that the initial shares under the Ripley plan have greater value.

Among the complications in any comparison of the two schemes is that both give conversion privileges to bondholders and provide share purchase warrants which would sooner or later change the number of shares outstanding.

Proportionate Share Issues

The initial proportionate issues of common shares to total capitalization, and the proportionate distributions if all stock purchase warrants are exercised before any bonds are converted into stock, are as follows:

1.—RIPLEY PLAN

Present issue:	Proportion of New Common Before exercise of warrants	After exercise of warrants
5% bonds	14.9%	6.7%
7% preferred	3.1%	2.8%
6% preferred	75.1%	72.4%
Common	6.7%	18.0%
Sundry	.2%	.1%

2.—LIQUIDATOR'S PLAN

Present issue:	Before exercise of warrants	After exercise of warrants
5% bonds	....	....
7% preferred	2.7%	2.3%
6% preferred	85.4%	72.6%
Common	11.9%	25.1%

Initially the bonds and 7% preferred obtain more new common stock under the Ripley plan and the 6% preferred and the common get less. If all purchase warrants are exercised, however, it is only the present common that is materially worse off under the Ripley proposals than under the liquidator's plan.

The conversion privileges which are more generous to bondholders under the Ripley plan than under the liquidator's scheme present a complicated picture. In the first place, the conversion feature on debentures under the Ripley plan is not effective at all if stock purchase warrants are fully exercised. In the liquidator's plan the conversion feature on junior bonds and the pro-

(Continued on page 16)

Dosco Buys Steel Firms

Canadian Subsidiaries of U. S. Steel Corp. Are Acquired

MONTREAL. — Dominion Steel and Coal Corporation has completed arrangements for the acquisition of U. S. Steel Corporation's four Canadian subsidiaries. These are the Canadian Steel Corp. and Canadian Steel Lands at Ojibway; Canadian Bridge Co., Walkerville, and the Essex Terminal Railroad Co., which covers the Walkerville-Windsor area.

The purchase will enable Dosco, which at present is limited to the principal steel products, to enter the field as maker and distributor of finished products. Precise details of the transaction have not been made known, but it is reported that the agreement provides for the exchange of Dosco shares against the bonds and debentures secured on the new properties. To that end Dosco has called a special meeting for August 12.

Net Income $2.1 Millions In Half Year

475,000-ton Production is Abitibi's 1937 Estimate

NEEDS $14 MILLIONS

Abitibi Power & Paper Co. increased its net working capital from $2.3 millions at Dec. 31, 1936, to $3.9 millions at June 30, 1937, according to information compiled in connection with the bondholders' committee's plan of reorganization.

The increase of $1.6 million reflects sharply increased earnings for the first six months ended June 30, 1937. G. T. Clarkson reports these earnings available for depreciation and bond interest at $2,098,050 compared with $767,800 in the corresponding period of 1936. Earnings for the whole of 1936 were $2.2 millions.

The company's production of newsprint for 1937 is now estimated at 475,000 tons, compared with 355,274 tons in 1936.

As a result of rising sales, plans now call for reopening of the company's newsprint mill at Ste. Anne de Beaupré, Quebec, in September, according to the official information.

Information and history of all phases of the company's business are recorded in the huge compilation of data for the bondholders' committee.

New Money Required

Increase in working capital does not alter estimates of the company's new money requirements compiled for the bondholders' committee, as the calculations had already allowed for an increase of almost exactly the amount actually recorded.

G. T. Clarkson, receiver and manager for Abitibi, uses a basis of $12.50 a ton of productive capacity to calculate the company working capital requirements, arriving at $9.2 millions. Deducting the $3.9 millions on hand at June 30, the additional working capital required is $5.3 millions.

Mr. Clarkson says that in addition the reorganized company should be provided with funds for improving the physical properties. A statement by T. E. Silver, manager of mills, places such requirements at $8.3 millions to be spent over a five-year period.

Estimate of total requirements of new money would therefore be approximately $13.6 millions.

Savings From Improvements

Mr. Silver calculates that annual production capacity of present newsprint mills could be increased from 558,000 tons to 651,310 tons by improvements costing some $5.3 millions. The Ste. Anne de Beaupré mill is included but Espanola and Sturgeon Falls are omitted in the calculations.

He also lists proposed expenditures of $1.9 million to improve woods operations and $1.1 million on townsites, making the total of $8.3 millions. Of this, $2.9 millions is the sum scheduled for both 1937 and 1938, $1.5 million for 1939, $588,000 for 1940 and $427,000 for 1941.

Maximum annual saving on mill operations from the expenditures at full theoretical capacity would be $1,057,623, Mr. Silver says. But calculating that 92% of rated capacity is the practical operating capacity, and assuming an increase of rated capacity to 651,310 tons, he calculates the annual saving at $732,000.

Estimates of earnings compiled by Coverdale & Colpitts, engineering consultants of New York, are included in the extensive data collected for the bondholders' committee. Adjusted to the proposed new Abitibi capital, the figures on various annual tonnages of newsprint production at the price of $50 a ton established for the first half of 1938 are as follows:

Estimates of Abitibi Earnings

	Tons (000)	Tons (000)	Tons (000)
Sales:			
Newsprint	450	500	560
Commercial pulp	55	55	55
	$ 000's	$ 000's	$ 000's
Earning power	6,311	6,995	7,972
Depreciation	1,485	1,485	1,485
Balance	4,826	5,510	6,487
4½% bond interest	630	630	630
5% gen. mtge. int.	1,207	1,207	1,207
Balance	2,989	3,673	4,650
5% debenture int.	1,689	1,689	1,689
Balance	1,300	1,984	2,961
Income tax	195	298	444
Balance for stock	1,105	1,686	2,517
Per share on 1,625,000 shares	$0.68	$1.04	$1.55

Barclays Bank Names President

A. A. Magee, K.C., of Montreal, has been elected president of Barclays Bank (Canada) in succession to the late Sir Robert Borden.

Mr. Magee has accepted the post on a temporary basis because of the time he must give to his legal practice.

Mr. Magee is a partner of the legal firm of Magee, Nicholson & O'Donnell. He is now vice-president of Barclays Bank and a director of several other enterprises.

Battle Centres on Legal Right to Foreclose on Mortgage

Interests associated with the bondholders' committee's plan of reorganization of Abitibi Power & Paper Co. are confident that the scheme will be adopted by bondholders.

Their confidence is based partly on the fact that large blocks of bonds represented on the committee total over $11 millions, or more than 23% of the bond issue of $48.3 millions. As 51% approval at the bondholders meeting is the requirement under the Ontario Judicature Act, additional bonds required to be voted in favor of the plan are less than $14 millions. That is, less than 40% of the remaining bonds is required to make up the requirement of 51% of all bonds.

The plan, if adopted by bondholders, must also be approved by the Supreme Court of Ontario. The principal point on which opponents of the bondholders' plan are expected to fight a legal battle is on the right of the bondholders to put the assets up for judicial sale.

Question Bond Mortgage

In essence, the legal opposition, largely from the liquidator, R. S. McPherson, F.C.A., will consist chiefly of a claim that the bond mortgage does not enable bondholders to exercise a right of foreclosure. This is based mainly on section 58 of the mortgage indenture which reads:

"The trustees severally accept the trusts in this indenture contained and severally agree to perform the same on the terms herein set forth, but subject to the express condition that each of them shall be responsible only for moneys coming into its hands under any provisions hereof."

It may be argued by opponents of the plan that under the section quoted the Montreal Trust Co. as trustee has not the power to command a judicial sale of the Abitibi assets. The bondholders are satisfied with legal opinions of eight or nine leading corporation law firms in Montreal, Toronto and New York that the mortgage permits the Canadian trustee to conduct the plan of sale on behalf of bondholders.

Lastly the plan must be on a basis acceptable to the Ontario Government, but the Government has known about the bondholders' committee's work for months, and whether there will be important criticism from this source remains a question mark.

Bondholders of Abitibi Power & Paper Co. will meet in Toronto on Oct. 15 to consider the plan for reorganization of the company by judicial sale brought forward by the bondholders' committee. The plan has been approved by the preferred shareholders' committee headed by Lieut.-Col. Herbert Molson, Montreal.

Only bondholders will vote on the plan, or amendments to it, at the meeting. The order of the Supreme Court of Ontario authorizing the meeting calls for consideration only of the one reorganization plan.

It is anticipated that there will be opposition from dissenting shareholders, such as Wood Gundy & Co. and the Rothermere interests, represented by W. Collin Brooks, who are also bondholders.

The bondholders' committee's plan, also called the Ripley plan (Joseph P. Ripley is chairman of the committee), involves raising $14 millions of new money by sale of that amount of 4½% first mortgage

(Continued on page 16)

Lake Sulphite Buys Nipigon

Timber Contracts With Ontario Government Are Revised

MONTREAL. — Acquisition by Lake Sulphite Pulp Co. of the Nipigon Corp., former unit of the Canadian International Paper Co., is announced here. Consummation of the deal, negotiated several weeks ago, was achieved by purchase of all common shares of Nipigon, and taking over of Nipigon's assets and undertakings.

The absorption was followed by revision of the agreement between Nipigon and the Ontario government, and of the recently negotiated agreement between the government and Lake Sulphite. In connection with the Nipigon operation, Lake Sulphite is obligated within 18 months to expend at least $5 millions on either a newsprint or chemical pulp (sulphite) mill. Nipigon Corp. at present owns a groundwood pulp mill of 50 tons daily capacity at Nipigon, Ont., near the site of the bleached sulphite mill now being constructed by Lake Sulphite.

The original Lake Sulphite agreement with the government gave the company rights to extensive timber limits, and obligated Lake Sulphite to erect a sulphite mill of 200 tons daily capacity. Under the revised agreement, the capacity is to be increased to 225 tons and renewal is granted of the optional right of the company to 365 square miles of additional timber limits if the sulphite mill capacity is doubled.

Head office of Lake Sulphite has been moved from Montreal to Nipigon, and the company will continue to operate the Nipigon Corp. groundwood pulpwood mill. Nipigon Corp. owns 1,400 square miles of timber lands adjacent to the Lake Sulphite tim-

New Deal for Canada's Youth

Ottawa Asks Provinces to Co-operate in Dominion-wide Training Plan

From Our Own Correspondent

OTTAWA.—The Federal Government is doing something today that no Canadian administration has ever done before.

It is investing the sum of $1 million directly in the youth of the country on the one condition that the provinces which are equally interested in the problem spend a like amount.

Young men and young women who have fancied that they belonged to "the lost generation" because they came upon the labor market during the years the depression had blighted it are thus to be given a chance. They are to be sent into the forests, into the mines, into factories, into training for farm life and into specialized training for domestic service.

The policy might be termed an experiment in political therapeutics, for the morale of many of these young people has been affected by years of idleness, and one of the important objectives of the expenditure is to enable them to recover it.

Proposed in Parliament

The policy was germinated by two youthful members of the House of Commons, one sitting on the Conservative, the other on the Liberal side of the Chamber. Denton Massey, Conservative M.P. for Greenwood, moved the original resolution which urged the Government to adopt a specific programme for the benefit of the Canadian youth of the depression era, whose morale was rapidly deteriorating under the conviction that they were unwanted spectators upon the economic stage. Paul Martin, Liberal M.P. for one of the Essex ridings, seconded the suggestion.

Hon. Norman Rogers, Federal Minister of Labor, was not only sympathetic, but also deeply interested. He turned the suggestion over to the National Employment Commission, and more particularly to that body's auxiliary but specially appointed unit, the Youth Employment Committee. Composed largely of younger citizens and headed by Allan Chambers of Vancouver, this committee studied the parliamentary suggestions as well as proposals of its own members and those of authorities on youth problems throughout the country.

After a great deal of investigational work, these studies were translated into a definite programme for youth rehabilitation and submitted to the Government through the National Employment Commission. The youth training and recreation features of the committee report form the basis for the plan now being sponsored by the Government, and backed by $1 million of Labor department funds.

Mr. Rogers made his departmental appropriation available on the condition that the provinces co-operate and spend dollar for dollar with the Federal authorities — which means that $2 millions will be available for the industrial re-establishment of the young men and young women of the country.

Once a province agrees to cooperate with the Federal Department of Labor, there is a minimum of "red tape" to the scheme. All "unemployed young people" are eligible. This phrase is defined so as to bring within the plan individuals, male or female, from 18 to 30 years of age inclusive. They must be necessitous, unemployed, and registered for employment with the Employment Service of Canada.

In localities where the Employment Service has no agencies they must be certified by the clerk of the municipality or appropriate authority as being in necessitous circumstances. Provision is made for the Minister of Labor to extend the age limits laid down in either direction, on recommendation of the supervisor of youth training projects.

Aid to 5,000

Already agreements for co-operation have been negotiated with the four provinces west of the Great Lakes. While the number of young people to be directly affected cannot be known as yet, it is broadly estimated that it will be in excess of 5,000. The eastern provinces of the Dominion, while slower to enter the scheme, necessarily require greater time to make their preparations, in view of the greater number of young people with whom they will have to deal. The Federal Department expects, however, to conclude agreements with them in the near future.

Generally speaking, five branches of activity are being opened up to unemployed youths of both sexes by the agreements concluded with the western provinces, viz:

1. Reforestation.
2. Mining and prospecting.
3. Training for farm life.
4. Industrial learnership courses.
5. Specialized training in domestic service.

The reforestation scheme follows, not too closely, the broad pattern of the conservation camps operated under the Rooseveltian New Deal. The purpose of the scheme, in addition to fitting unemployed youths for work in future reforestation operations to be carried out by governments and as forest rangers, is to recondition young men who have deteriorated both from the standpoint of physique and of ambition during their years of idleness.

The mining and prospecting scheme is confined to British Col-

(Continued on page 2, col. 3)

MEN'S SHOP

To Fill Your List of Holiday Needs

The Men's Shop offers a very wide choice of distinctive sportswear styled for summer 1937.

Sports Jackets—All wool flannel or tweed. Sizes 36 to 44. Each 15.00 to 25.00.

Flannel Trousers—English all wool cream, tan or grey flannel trousers. Sizes 30 to 44. Pair, 5.00 to 10.00.

White Shirts — Cotton "Oxford" cloth and cotton broadcloth, collar attached. Sizes 14 to 17. Each, 2.00 to 4.00.

Bathing Suits—Zipper fastening top, and trunks, knit from all wool yarns. Sizes 36 to 44. Each, 5.95.

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BAY STREET SECTION

EATON'S-COLLEGE STREE

Can. Cottons States Case

Position of Canadian Cottons, Ltd. in regard to the demands of 1,500 striking employees in three Cornwall mills for wage increases and union recognition, was set forth in a letter distributed to workers in pay envelopes distributed two days after the strike was called.

Inability of the company to grant the proposed pay increases, averaging 20%, is declared as follows:

Since April, 1934, the management points out, shareholders have received only 4% on their investment and from 1930 to 1934 received no return. If the entire dividend payment were added to the payroll, it is estimated, wages would rise only 4%.

National Grocers to Pay $1.75 Preferred Arrears

From Our Own Correspondent

A dividend of $1.75 a share on account of arrears has been declared on preferred stock of National Grocers Co., payable Aug. 10, to shareholders of record July 31.

The payment reduces the arrears to $28 a share, and brings total distributions on account of arrears over a three-year period to $14 a share.

The company is maintaining regular quarterly dividends at the annual rate of $7 a share on the preferred.

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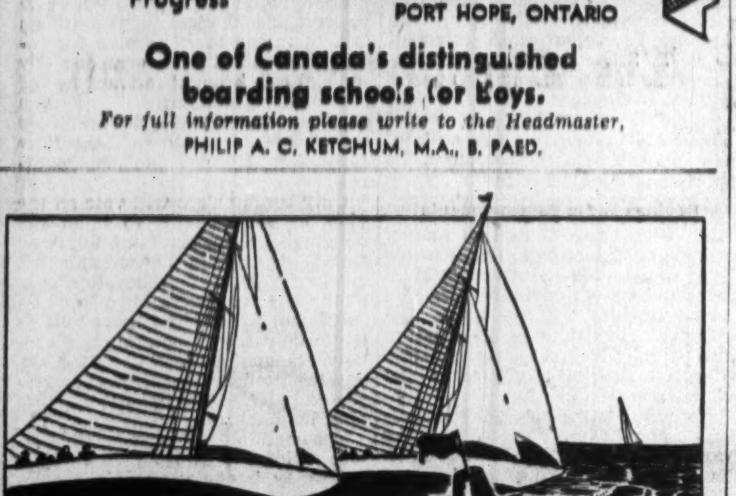

In Sport
you are Courteous—
Try Courtesy
in Driving

COURTESY and fair play are the very spirit of sport and sportsmen. Both "the gallery" and the contestants, and that includes nearly everybody, demand fair play.

But are you still "a good sport" when you are driving a car, truck or motorcycle? Do you still mete out fair play to your fellow-motorist by allowing him his rights and by not exacting your own when it is dangerous to do so? Do you keep well to the right side of the road, except when you pass the other fellow, and then do so at a safe distance after sounding your horn? Do you hand-signal your intention to slow down, stop or change direction? Do you refrain at all times from "pocketing", crowding or otherwise inconveniencing your fellow-motorists?

When every motorist can answer "yes" to all such questions then we can look forward to a great reduction in our shocking accident toll.

I earnestly request that *you* do *your* part and "Try Courtesy" every inch of the way.

TRY COURTESY
The New Spirit of the Road

T. B. McQuesten
MINISTER OF HIGHWAYS
PROVINCE OF ONTARIO

The Nation's Business

(Continued from page 1)

point where they drive out capital and dry up sources of taxation. It is becoming apparent that they have already reached those levels in Canada. We are losing out to tax-havens elsewhere.

The Financial Post has cited the example of Mr. Oakes merely as a convenient illustration. Some people will feel sorry for Mr. Oakes. Some will criticize him. Sympathy and criticism for Mr. Oakes are beside the point. So far as The Financial Post is concerned, it feels sorry only for the taxpayers who are left and whose burdens are increased because Mr. Oakes's $2 millions to $3 millions a year of tax money is not now going into the Dominion treasury.

• • •

IS IT not better for us to keep as much wealth as possible in Canada; to permit it to be used for the benefit of the Canadian people, both through Government spending made possible by fair and reasonable taxation, and through private spending and philanthropy?

In the case of Mr. Oakes—as well as many others—Canada tried to rob the goose that was laying the golden eggs. But Mr. Oakes was no goose. He knew how to get away from the greedy tax housewife. Canada is no longer getting his golden eggs.

• • •

Fear of Lewis Killed Court Bill

WHAT really defeated the Supreme Court bill and caused its withdrawal in the United States Senate before it could come to a vote was the C. I. O. threat to law and order.

This is something for certain Canadian politicians to think about—the politicians who are trying to curry public favor by support of the John L. Lewis labor organization in Canada.

The always well-informed Whaley-Eaton Service of Washington interprets the situation in this manner:

"C. I. O. activities hurt the White House more than anything else. Congressman after Congressman, going home, was amazed to discover an overwhelming suspicion that, in some way, the plan to pack the court was interwoven with some undefined scheme to use the court for Lewis's ends. This fear was not confined to the farmers. In the South, especially, industrial workers, satisfied with pay and hours, were fearful lest organizers drift in and call strikes. Men who refused to fear Roosevelt as a dictator did fear Lewis in that rôle—and they became convinced, rightly or wrongly, that Lewis was dictating to Roosevelt."

The American people do not want John L. Lewis as a political dictator. They have resented his efforts to achieve such a position by lawless and arbitrary methods.

• • •

The Abitibi Plan: Bondholders' Version

THE plan for reorganization of Abitibi Power & Paper Co. brought forward by the bondholders' committee is the result of many months of negotiation and discussion and should have close attention from investors in the company. While the plan is complex in many of its details, it is based on the simple principles that bondholders whose interest is far in arrears are entitled to first consideration, but that even though bondholders should be first served the stockholders should have a participation in the enterprise and an opportunity to redeem a larger share by paying off debt.

The company's need for new money to rehabilitate properties makes it necessary to create some form of prior bonds to sell for cash, unless shareholders can raise large amounts to put the business on a solvent basis at an early date. So far there has been little indication that the stockholders are able or willing to do so.

One of the chief advantages in the plan is the reduction of annual fixed charges for interest and principal on bonds, which should be a safeguard against financial difficulties in the future of the kind that the company has had in recent years. In proposing to put a large part of the company's debt on a basis of interest payments if earned, bondholders are imposing a sacrifice on themselves which in the long run, however, may be advantageous to them and which is certainly to the advantage of the company and the industry.

In compensation for sacrifices bondholders are entitled to conversion features in their new securities as a possible source of increased value. That it is not the intention of bondholders to freeze out stockholders without consideration is shown by the proposals to issue most of the initial stock to present shareholders.

While representatives of Abitibi bondholders have already spent months working on the details of the plan, there may be more to gain than to lose in making further concessions to the stockholders if they will produce harmony and speed up the reorganization. Abitibi is an enterprise of major importance and, in the public interest as well as in the investor's interest, it will be to the greatest advantage to follow the course that will restore the company as soon as possible to its former position of leadership as a major Canadian industry.

• • •

Irrigation and the Drought Areas

IT would be a tragedy, infinitely greater than the crop losses involved, if the present drought situation in western Canada were not adequately grasped. Aside from the millions of money at stake, lives of at least 900,000 people are definitely involved.

Ample moisture will again return to the parched districts of the Prairies. Indeed, in the last two weeks there is evidence that the cycle of dry years may be ending. Had recent rains come just one month earlier Canada would now be preparing to harvest a wheat crop of over 400 million bushels instead of the poorest total yield in the history of the West. But there is no assurance that dry years will not follow the wet years. A decade or two hence the country may again be facing an acute problem.

• • •

R. O. SWEEZEY'S recent contribution to the drought discussion is commendable even if it does no more than focus attention on the present crisis. Unfortunately the situation is not one that can be cured entirely by a feat of hydraulic engineering. Even if irrigation water could be made available throughout the greater part of the southern prairies this would not result in immediate or lasting prosperity.

The best wheat, upon which the present Canadian reputation is built, is not a product of irrigated land. Under irrigation the quality of the grain definitely suffers. Hard wheat is grown in comparatively dry country. Unfortunately, country that is normally dry often becomes much too dry. Uniform production totals under such conditions are impossible. Unless some arrangement can be made to tide over the lean years then the livelihood of the wheat grower and all those depending on him is going to be abnormally hazardous.

Mixed farming without large quantities of sweet water and vast new markets for the products of mixed farming is not a readily feasible solution. The present problem is one of the biggest that Canada has ever been called upon to face. It is not going to be solved immediately but it must not be shelved.

New Deal for Youth Seen As Ottawa Launches Plan

(Continued from page 1)

umbia, where placer mining properties abound. The idea is to have the unemployed youth of the province who have sufficient initiative left to enter upon a rigorous if healthy outdoor life, work these properties under experienced direction. It is planned, furthermore, that after having gained experience in practical placer mining, they will be given the opportunity of joining prospecting parties and of scouring the mineral lands of the province for gold and silver.

The agricultural training plan is provided specifically for the benefit of the youths of the drought areas. Both young men and young women will be included. They will be sent to suitable agricultural centres in the Prairie Provinces and given practical courses in mixed agriculture and in rural homemaking.

The industrial learnership courses are being offered chiefly in Manitoba. They should be distinguished from an apprenticeship plan. The intention is to give unemployed young men and young women short term courses in various branches of industry with related technical instruction. In no cases will the courses exceed 12 months. Placing of learners in any industry, it is stipulated, must not displace regular employees. Supervision of the plan will be in charge of the Provincial Minimum Wage Board and provision will be made for fair remuneration to the learners.

Training of Domestics

The domestic training service is a plan which is being adopted generally throughout the western provinces. The aim is to emphasize household service as an occupation differing from no other in its requirement of specialized skill and training. It is hoped, by raising domestic service to the category of one of the skilled occupations, to remove the prejudice which many young girls have against entering it.

It is the one field which is not overcrowded in the West, and the feeling of the provinces is that they will be able, if they can overcome the prejudices of the young women themselves, to transfer many from the relief rolls to reasonably well-paid positions in homes where comfortable working and living conditions obtain.

There are various distinctive features to the plans of each of the four western provinces. British Columbia, for example, proposes to provide physical training and health education, with a view to maintaining both the fitness and the morale of the youthful unemployed.

The scheme is comprehensive. And it is impartial. One of the main governing conditions is that youths selected under it must be chosen "without discrimination or favor in relation to the racial origin, religious views or political affiliations of those eligible for selection, with preference given, so far as practicable, to those who are in greatest need or have been longest unemployed."

It is a scheme that is not so much altruistic as practical. If the experiment this year should be encouraging in any degree, it is altogether likely that more elaborate plans for another year will be submitted to the coming session of Parliament.

Crop Outlook Now Improves

Considerable Wheat Salvage Seen Following General Rains

Recent rains in Saskatchewan have more than offset drought and rust losses in Manitoba during the week with the result that total wheat estimates for the Prairie Provinces now vary from 175 to 200 million bushels. This compares with 150 to 175 million estimated a fortnight ago and 300 million around the end of June. Of this Manitoba's share is expected to be about 40 million bushels.

In Alberta drought conditions have destroyed hopes of a commercial crop in limited areas on the eastern side of the province, and only a comparatively small yield is expected in the Peace River country. Outlook in the remainder of the province, however, is good and a total yield of 80 million bushels expected.

Just how much improvement has taken place in Saskatchewan is difficult to estimate. Combines will save something from short-strawed crops hitherto thought ruined. It is now believed that total crop will be well over the 50 million bushels suggested at one time as the limit of expectations.

Some harvesting has already begun in each of the three western provinces.

Dom. Textile Labor Uneasy

Catholic Federation Claim "Majority" in Favor of Strike

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. employees in eight Quebec mills have, by a majority vote, favored a strike to back demands for a collective labor agreement, according to Albert Cote, president of the National Catholic Federation of Textile Workers.

The company has approximately 7,000 employees and of this number the Catholic Federation claims 4,000 members.

While the Federation alleges that a majority of the employees have voted in favor of the strike, no figures have been released to indicate the extent of the vote or the number of employees who voted for the strike.

The Federation has submitted to the company management demands for collective pact to be extended provincially under Quebec Labor Minister William Tremblay's measure "respecting workmen's wages" and had set July 19 as deadline for beginning of discussions. Included in the suggestions of the labor organization were wage increases, said by the company to average slightly more than 40% over present scales, and adoption of a 48-hour week without reduction of wages.

Federation officials intimate that an immediate strike is not likely, as no walk-out will be staged until the provincial and federal departments of labor have had an opportunity of attempting to bring about opening of negotiations with the company.

Other Employees Loyal

The protest against negotiation of a provincial contract with the Federation has already been forwarded to Dominion Textile Co. by an independent union in its Sherbrooke plant and by a similar group in the mill of Paton Manufacturing Co., an associated firm in Sherbrooke. Both these organizations stated they preferred to make local arrangements with their employers.

No particular action will be taken by the company pending the return of G. Blair Gordon, managing director, from Scotland.

Commenting on the wage increase demands, R. F. Daniels, manager of the company's grey mills operations, observes that basic wage scale since the beginning of the year had reached 1929 peak levels. Not only that, he added, but two extra bonuses distributed this year have brought total earnings of employees to a basis above the 1929 figures.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Fredericton, N.B.	July..	W. C. Pitfield & Co. and Syndicate	3½%	....	$42,500	99.11	.....
Cornwall, Ont.	July.	Dominion Securities Corp.	3½%	20-ins.	40,000	102.378	3.25%
Kapuskasing, Ont.	July..	Imperial Bank	5%	15-ins.	47,000	....	.....
Port Arthur, Ont.	July..	Wood, Gundy & Co.	4%	1-20 yr. ser.	148,600	100.58	3.93%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Quebec Power	July..	Aldred & Co. and Syndicate	4%	1962	$12,935,000	98.50	4.10%
Stock Issues							
Stedman Bros.	July..	Harrison & Co.	5%	Pref.	$300,000	$30.00	5%
Thomas J. Lipton Inc.	July..	Hallgarten & Co., R. A. Daly & Co.	6%	Pref.	26,000 shs.	26.00	.....
			...	Class A	200,000 shs.	17.00	.....

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Lipton Tea Stock Offered in Canada

Canadian offering of preferred and common shares of Thomas J. Lipton, Inc., is being made by R. A. Daly & Co. It is the first public offering of securities in the tea company founded by the late Sir Thomas Lipton, whose name became internationally famous by his persistent efforts to win the America's Cup with his series of "Shamrock" yachts.

Thomas J. Lipton

Company—American incorporation, 1915, with head office Hoboken, N.J.

Capital—Outstanding, 52,000 6% cumulative preferred shares, $25 each; 200,000 class A shares, $1 par value, 200,000 class B shares no par value. No funded debt.

Earnings—For years 1932 to 1936, range from low of $190,395 in 1933 to high of $466,406 in 1936, and $321,398 for first four months of 1937. Last year's net $8.97 a share on the 6% preferred, $1.94 a share on class A.

Dividends—Preferred, $1.50 a share per year, payable quarterly; class A, $1 a share, per year cumulative, prior to any class B dividends, payable quarterly. Full cumulative dividends are being paid on class A and preferred stock. After $1 a share on class A, it participates equally with class B in any further dividends.

Offering—6% preferred at $26 a share yielding 5.77%, class A at $17 a share yielding 5.88%, by Hallgarten & Co. and R. A. Daly & Co.

Berlin Trade Meeting Issues Special Plea

(Continued from page 1)

ernment Trade Commissioner in Germany.

In Mr. Macgillivray, Canada has an alert, informal and tactful trade representative. As dual evidence of the German Government's appreciation of him and of Canada as a trading partner, Macgillivray was among those invited to the dinner given in honor of the chairmen of delegations and the ladies accompanying them by General Goering, Prime Minister, and Frau Goering. He was also among senior delegates invited to meet Chancellor Hitler one afternoon at the tea hour.

Canada Not Affiliated

There was regret expressed in several quarters that the Canadian Chamber had not sent any representative from Canada itself and that this country does not seem disposed to take any active participation in the International Chamber of Commerce affairs. It was felt that, as a nation so vitally concerned with export trade, our interest and leadership in the Chamber's activities would be valuable.

The word "leadership" is used advisedly because there were various expressions of opinion to me that Canada seems disposed to shun leadership in promoting trade. One distinguished delegate, Lord Essendon, speaking on "Multilateral Trade," quoted with high approval these remarks made at the recent Imperial Conference in London by the Canadian Prime Minister:

"Enduring peace cannot be achieved without economic appeasement. Political tension will not lessen without abatement of the policies of economic imperialism. The countries represented here have a definite responsibility to join with other countries willing to co-operate in a concerted effort to avoid increasing tariffs, or exchange or quota controls and to lessen in every practicable way the barriers to international trade."

This same thought "world peace through world trade" can be said to have been the keynote of the congress, and was emphasized in the closing speech of the new president, Thomas J. Watson, president of the International Business Machines Corp. of New York.

The greatest value of this congress was that in it informal and practical business leadership dealt with practical problems. Their addresses and resolutions reported by the press of the world, must help to formulate public opinion favorable to the acceptance of needed government measures in all countries for the revival of international trade—through readjustments of trade barriers; currency stabilization; settlement of international debts and the redistribution of raw materials.

The final statement of the Congress sums up what was said over and over again by different speakers, that "world trade cannot flourish without peace."

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King Liberals Will Not Split Ontario Party

Plan for Liberal-Labor Group Under Roebuck Abandoned

IGNORE CAMPAIGN

From Our Own Correspondent

OTTAWA.—If Premier Mitchell F. Hepburn holds a provincial-general election early in October, as seems likely, there will be no federally-inspired Independent Liberal-Labor coalition, under Hon. Arthur Roebuck, in the field against him.

So far as federal Liberalism is concerned, the contest will be left a straight fight between the provincial Liberals under the Ontario Premier and the Conservatives under Hon. W. Earl Rowe.

It would be going too far to say that a reconciliation has been effected between the Prime Minister and Mr. Hepburn, ending the breach which the latter made in his celebrated declaration: "I am no longer a Mackenzie King Liberal."

At the same time, while there has been no direct communication between Messrs. King and Hepburn as yet, interested parties have been busy upon the problem which the prospect of federal-provincial Liberal dissension during an election campaign presented and it is understood that an understanding has been reached.

Third Party Abandoned

By its terms the move which was unquestionably under way to have Mr. Roebuck head a third party, not with any hope of success himself but as a threat to the Hepburn forces, is to be abandoned. Provincial labor interests were exceedingly anxious to tie up with the former attorney-general and with the Mackenzie King Liberals in Ontario and had made definite approaches. Mr. Roebuck is known, however, to have refused.

The former attorney-general will run simply as a Liberal candidate in Bellwoods riding. It is not believed that Mr. Hepburn will oppose his nomination there. Similarly, Hon David Croll, who has also been looked upon as a threat to Mr. Hepburn as the head of a possible Independent Liberal-Labor coalition, is understood to intend to refrain from any such course.

The attitude which the Federal Liberal Party will take to the campaign itself, unless mutual friends are able to promote the reconciliation between Mr. King and Mr Hepburn further, will be one of strict aloofness from any participation in it.

The possibility of a coalition move as the result of the Ontario election, is not overlooked by close observers. It is now doubted that any attempt along this line will be made prior to the election.

One factor that is taken as supporting this theory is the indication that Premier Hepburn intends to appeal to the elements in both parties which support his policies, rather than on a straight party basis. This would enable him to win support from many Tories who would be slow to respond to an appeal to vote for a Liberal party platform, but might to a personalized appeal from Mr. Hepburn on the C.I.O. issue.

Recent reports are that well-known Tories such as Col. George Drew and W. J. Stewart (ex-mayor of Toronto) are prepared to back Hepburn in at least some of his policies, and perhaps to attempt a rapprochment between the Liberals and certain groups among the Conservatives.

Loblaw Groceterias Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31st, 1937, payable on the 1st day of September, 1937, to shareholders of record at the close of business on the 10th day of August, 1937. Payment will be made in Canadian Funds.

D. URQUHART,
Secretary.

Toronto, July 22nd, 1937.

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THE ROYAL TRUST COMPANY

Investment Trusts Regaining Favor But Testing Time Is Still Ahead

Picture Improving Though High Hopes Held in Predepression Days Still Unfulfilled

Investment Trust Record

*Representative Management Type Trusts

	Net Assets per Share			Earnings and Dividends					
	1936	1935	1934	1936		1935		1934	
				Earn.	Paid	Earn.	Paid	Earn.	Paid
Aldred Investment:	$	$	$	$	$	$	$	$	$
Preferred	nil	nil	nil	d1.14	nil	d1.35	nil	d1.68	nil
Common	nil	nil	nil	d0.71	nil	d0.73	nil	d0.77	nil
Canadian General Investments	14.65	10.55	8.96	0.56	0.45	0.46	0.40	0.40	0.40
Can. International Investment:§									
Preferred	154.02	96.80	55.50	5.32	5.00	3.29	nil	2.61	nil
Common	3.85	nil	nil	0.027	nil	d0.26	nil	d0.36	nil
Canadian Investment Fund:									
Special	4.63	3.85	3.33	...	0.16	...	0.14	...	0.14
Canadian Investors Corp.▲	13.24	11.14	8.24	0.59	0.45	0.45	0.40	0.38	0.40
Corporate Investors*	7.14	6.31	...	0.25	0.22	0.263	0.20	0.217	0.13
Investment Foundation:†									
Preferred	97.47	72.96	54.78	3.49	3.00	2.61	2.50	2.56	2.25
Common	17.75	7.32	nil	0.21	nil	d0.17	nil	d0.19	nil
Dominion-Scottish:■									
Preference	56.10	46.82	37.37	2.45	2.50	1.87	1.75	1.37	1.25
Common	nil	nil	nil	d0.09	nil	d0.63	nil	d1.12	nil
Economic Investment†	53.48	35.16	22.26	2.08	1.75	0.97	0.875	0.75	0.62
Great Britain & Canada:†									
Preferred	58.10	25.78	nil	1.51	nil	0.63	nil	0.88	nil
Common	nil	nil	nil	d0.40	nil	d0.50	nil	d0.47	nil
London Canadian Investment:									
Preferred	111.74	46.03	18.45	2.09	nil	0.95	nil	0.77	nil
Common	nil	nil	nil	d0.29	nil	d0.45	nil	d0.48	nil
United Corporations:									
Class A	126.74	72.07	53.53	2.24	2.50	1.09	0.50	0.02	nil
Class B	25.12	10.25	5.55	0.20	nil	d0.11	nil	d0.39	nil

†Year ended March 31; 1937 being latest report.
*Year ended April 30; 1937 being latest report.
d Deficit.
§Years ended Feb. 28; 1937 being latest report.
▲Years ended Jan. 31; 1937 being latest report.
■Years ended May 31; 1937 being latest report.

For the third time in their short history in Canada the spotlight has been turning to investment trusts. Hitherto Canadian investment trusts have not lived up to the high hopes of predepression years.

In the predepression period of the late 20's, investment trusts had their first taste of public acclaim in Canada. This period coincided with, or possibly came a little later than, a similar trend in the United States. It was a time of mushroom development and the investment trust was considered the royal road to wealth.

The next time that they attracted universal attention was following the market slump of 1929 and during the early years of the depression. Heavy losses had been suffered and a disillusioned public turned on the investment trusts as the villains in the piece. There followed a period when investment trust shares frequently sold for much less than the actual break-up value of their portfolios. Some of them still do. This was in sharp contrast to conditions in 1929 when the shares of a leading United States investment trust actually sold for as high as 300% of its liquidating value. One Canadian investment trust entered the market around the middle of 1929 with $11 millions of capital and lost much of it when security values entered the long downward slide of the depression.

In one or two cases, of course, advantage was taken of the deflated prices in 1932 and 1933 to organize new trusts but the promoters of such projects generally found the public apathetic at best. Such trusts organized, say in the early 1930's, can hardly help but have a good record to date but their test will come along with the older established investment trusts when another depression comes.

Signs are clear that the investment trust is coming back into public favor with the rise of share prices. The rising markets of the past two years and generally higher dividend payments have allowed most of the investment trusts with flexible management provisions to put their portfolios in better shape and in certain cases they are able to say that assets are now back to the stage where they have more than recovered the original shareholders' investment.

Management Problem

What the investor now wants to know is whether investment trusts can be relied upon as a means of diversifying investments in a period of low bond yields and rising costs of living; whether investment trust shares will furnish a partial hedge against inflationary trends by increasing income.

To a large extent it is a question of management. The past and future record of investment trusts depends upon the investment policies approved by directors and executives of the companies. The investor's first responsibility to himself, therefore, is to decide whether the management is likely to be shrewd and unbiased in judgment.

One of the features of predepression investment trust organizations was that many of them were started and operated under the aegis of investment dealers. As a result some trusts were overweighted with securities marketed by the dealer concerned. Independence as well as shrewdness may therefore be of value in the management. Meanwhile investment dealers appear to have learned caution from the lessons of the depression and in fairness it must be said that it was not only the dealer-sponsored trusts that suffered severely in the depression.

Only two Canadian investment trusts, Corporate Investors, which started in 1931, and Canadian Investment Fund, which started in 1932, can be considered to have had the full advantage of deflated security values at which to establish their portfolios. United Corporations was formed in 1933, but it was the result of the reorganization of the old Consolidated Investment Corp. of Canada sponsored by Wood, Gundy & Co. and acquired its portfolio at depreciated values from the predecessor company.

Capital Reorganizations

Altogether six of these investment trusts, or exactly one-half of those included, have gone through some form of capital reorganization. This has been necessary to provide for actual or anticipated losses. As a result of these capital changes the shareholder has not always had to accept an actual loss and the various trusts have undoubtedly been placed in a stronger position. These things have, however, done much to bring the investment trusts into disrepute with the average investor.

The investment trust had its first real development in Great Britain, starting in 1868. A wave of speculative enthusiasm in the 1880's resulted in the Baring crisis and the severe depression of 1891-94. Many British trusts failed and others suffered shocking losses at that time but it resulted in abandoning speculative policies. Thereafter they have operated on a strictly investment basis and no major British trust has failed in the past 40 years.

The early record of the British trusts is surprisingly similar to that of investment trusts in Canada and even more so in the United States. This gives hope for the future of Canadian trusts.

Survey by The Financial Post of 12 investment trusts of the management type shows that two of them started in 1927, one in 1928, five in 1929, and one in each of the years 1930 to 1933.

Canadian Investors Corp.

Sponsored by McLeod, Young, Weir & Co., Canadian Investors Corp. commenced operations in Jan. 1929. Sole capitalization is 100,000 shares of no par value common stock.

Although earnings declined sharply to a low point of 38 cents a share in 1934 after being over $1 a share in 1930 and 1931, dividends have been paid in each year since formation. In the year ended Jan. 31, 1937, earnings were 59 cents a share and 45 cents was paid in dividends.

Corporate Investors

Incorporated in 1931, Corporate Investors Ltd. started operations after the first decline in market value of securities. Average capital invested during the year ended April 30, 1933, was $29,223 and this has steadily risen to an average invested capital of $795,335 in the year ended Apr. 30, 1937. At the end of the last fiscal year outstanding capital was shown at $1.1 million. Only one class of common stock is outstanding.

Dividends of 22 cents a share were paid in the year ended Apr. 30, 1937, and this has been raised to 6½ cents a share for the quarter on Aug. 15, 1937. This trust paid its first dividend of 4 cents a share in Aug., 1933.

When first started, Corporate Investors placed its entire investment fund in bonds but by 1935 emphasis had been shifted to common and preferred stocks. An analysis of the portfolio follows:

	1937 %	1936 %	1935 %	1934 %
Govt. & munic. bonds	2	3	7	14
Corporation bonds	3	3	5	19
Preferred stocks	29	29	42	32
Common stocks	66	65	46	35
	100	100	100	100

Economic Investment

Economic Investment Trust, Ltd. is another predepression venture, having been organized in 1927. Capitalization consists of $949,500 of 5% collateral trust bonds, and 998,125 common shares. Par value of the common stock was reduced from $50 a share to $25 a share in 1936 to provide a fund against which possible portfolio losses could be charged.

This investment trust has both British and Canadian advisory commitees. No more than 5% of total assets can be invested in any one company nor can the trust hold more than 10% of the total capitalization of any one company. At least 50% of its holdings must also be in investments eligible for insurance company investments. At March 31, 1937, 68.58% of the trust's holdings were in Canada and 24.54% in the United States. A summary of classification according to type of investments follows:

	1937 %	1936 %	1935 %	1934 %
Cash & call loans	0.05	0.20	0.12	2.12
Bonds and debs.	9.71	12.67	15.56	11.63
Pref. shs. & stks.	31.20	32.79	39.45	38.09
Ord. & com. stks.	59.04	54.34	44.87	48.16
	100.00	100.00	100.00	100.00

Economic Investment has had some earnings to apply to its common stock in each year. In the year ended March 31, 1937, earnings were equivalent to $2.08 a share and dividends of $1.75 a share were paid. Dividend payments have ranged from $2.50 a share in 1930 and 1931 to a low of 50 cents a share in 1934.

Dom-Scottish Investments

Organized in 1929, Dominion-Scottish Investments Ltd. made extensive changes in its capitalization in 1936. Through these changes a 4% bond issue of $1.5 million was created and $750,000 issued under a plan whereby 10,564 preference shares were retired and preference stockholders took up additional common stock. Another $100,000 of these bonds have been sold recently and plans made for selling $150,000 more which would bring the total issued amount to $1 million.

This trust has placed substantial emphasis on common stocks and held 61.95% of its portfolio in this class at May 31, 1937. This percentage has remained practically constant for the past four years but holdings of preferred shares have increased at the expense of bonds and debentures. Manufacturing, collieries and mines make up the largest single items of the portfolio with 19.16% and 15.21% at May 31, 1937, respectively.

	1937 %	1936 %	1935 %	1934 %
Bonds and debs.	7.91	10.53	12.92	17.74
Pref. shs. & stks.	30.14	26.99	25.40	23.59
Ord. & com. shs.	61.95	62.48	61.68	58.67
	100.00	100.00	100.00	100.00

Earnings of Dominion-Scottish were insufficient to cover preferred dividends for the six years from 1932 to 1937 inclusive and arrears have accumulated to $5.25 a share at May 31, 1937. Actual earnings in the latest fiscal year were $2.45 per preference share on which the dividend rate is $2.50 a share annually.

This investment trust offered its stock in Great Britain and its management includes both Canadian and British advisory committees.

Investment Foundation

Investment Foundation Ltd. was organized in 1929 and at March 31, 1937, had a capital of $1,489,500 in 6% preferred stock and 70,000 common shares. The preferred stock was originally issued to the amount of $2 millions but subsequent redemptions have reduced the amount to the present number of shares.

Market value of investments has risen substantially in recent years and was $2.9 millions at March 31, 1937, compared with a book value of $2.7 millions. Investment restrictions include provisions that not more than 10% of capital may be in any one undertaking, not more than 25% in any one industry, except public utilities, and at least 50% must be in dividend paying listed securities. A comparison of classifications of securities held follows:

	1937 %	1936 %	1935 %	1934 %
Cash	0.49	1.04	0.89	1.45
Call loans (sec.)	0.90	1.29	...	...
Bonds	4.04	2.38	2.33	2.63
Bank stocks	5.39	5.51	5.52	5.23
Industrials	25.57	28.09	29.65	29.25
Mines & smelters	29.99	26.89	23.75	21.18
Oils	6.97	6.71	12.09	12.99
Railways	3.49	3.58	3.57	3.84
Utilities	23.16	24.51	22.20	23.43
	100.00	100.00	100.00	100.00

Because of reduced earnings in 1932, 1933 and 1934, full dividends on the preferred stock were not paid and arrears amounted to $5.75 a share after the payments made July 15, 1937. At the annual meeting on June 14, 1937, the president, H. C. Flood, intimated that the company hoped to pay off all arrears in the next 18 months.

Equity per share on the preferred stock was $97.47 at March 31, 1937. This compares with the low point reached of $32.38 in 1933 and the 1931 equity of $57.60.

London Canadian

Incorporated in 1928, London Canadian Investment Corp. had a capital of $3.8 millions of 4½% debentures, $3.5 millions of 5% preferred stock and 350,000 common shares at Dec. 31, 1936. Debentures outstanding originally sold by Wood, Gundy & Co. have been reduced from $6 millions to $3.8 millions. Preferred stock outstanding has also been reduced by $500,000. Most of the preferred stock was sold in Great Britain.

The only restriction placed on the company's investment policies is that not more than 10% of the investment trust's capital may be placed in any one security with the exception of Government bonds. Management is assisted by a London, Eng., advisory board. About one third of the portfolio was securities of Canadian companies or Governments at Dec. 31, 1936, with slightly more in United States securities. Comparative analysis of types of investments held follows:

	1936 %	1935 %	1934 %	1933 %
Bonds	13.94	16.55	20.27	27.45
Pref. stocks	14.87	19.44	18.23	16.73
Com. stocks	70.59	63.87	61.46	55.81
Cash & call loans	.60	.14	.04	.01
	100.00	100.00	100.00	100.00

No dividends have been paid on the preferred stock since Sept. 1, 1931, and arrears amounted to $26.25 a share at Dec. 31, 1936, or a total of $918,750. Market value of investment, however, has shown substantial appreciation. At the end of 1936 equity for the preferred stock of $111.74 a share was more than double the equity of $51.94 a share at the end of 1930. No equity whatever was shown for this stock in 1931, 1932 and 1933.

Can. International

Canadian International Investment Trust, Ltd., started operations in 1929. Its capitalization includes $1.8 million of 5% collateral trust bonds, $1.7 million of 5% preferred stock and 120,012 common shares. Reductions have been made in both bonds and preferred stock outstanding in recent years.

Substantial appreciation has been shown in the trust's portfolio in the past two years and at Feb. 28, 1937, an equity of $3.85 a share was shown for the common stock.

Earnings have increased until dividend payments were resumed on the 5% preferred stock in 1936. Accumulated arrears were $31.25 a share after the payment made June 1, 1937.

United Corporations

United Corporations Ltd. was formed in 1933 to take over the assets of Consolidated Investment Corp. of Canada.

Although the bonds are on an income basis, charges have been earned and paid each year since reorganization. The original Consolidated Investment Corp. was sponsored by Wood, Gundy & Co., which firm has maintained its interest in the trust's operations.

In each year since reorganization, market value of the trust's portfolio has been greater than book value. The present trust, however, took over the portfolio at depreciated values in 1933. Greater emphasis has been placed on United States investments in the past two years and at Dec. 31, 1936, 36.79% of the portfolio consisted of United States securities and 58.80% of Canadian. An analysis of investments follows:

	1936 %	1935 %	1934 %	1933 %
Bonds	17.02	32.26	34.48	30.20
Pref. stocks	21.68	23.75	20.33	21.30
Com. stocks	59.60	42.75	38.45	48.13
Cash	1.70	1.24	6.74	0.37
Total cost	100.00	100.00	100.00	100.00

In 1935 earnings increased to the stage where dividends could be inaugurated on the class A shares and 50 cents a share was paid in that year. This was increased to $2.50 a share in 1936 and payments made or declared in 1937 to Aug. 16, 1937, have reduced arrears to $2.25 a share on the class A stock.

Canadian Investment Fund

Canadian Investment Fund, Ltd., was incorporated in 1932 with an authorized capital of $5 millions special shares and $1,000 ordinary shares. At the end of 1936 issued capital consisted of $1.1 million special shares and $1,000 ordinary shares. This investment trust is under the management of Calvin Bullock, New York.

At April 21, 1937, 97.06% of the investment trust's assets were in common stocks, 2.33% in preferred stocks and 0.61% in bonds. Market value of portfolio was $4.6 millions at Dec. 31, 1936, and investments at cost were shown at $3.1 millions. Corresponding figures for Dec. 31, 1935, were $3.4 millions and $2.7 millions respectively.

Dividends of 13 cents a share were paid on the special and ordinary shares in 1933. In 1936, 16 cents a share was paid while the latest declaration is five cents a share payable Aug. 2, 1937.

Canadian Gen. Investments

Organized in 1930, Canadian General Investments Ltd. is a consolidation of Second Canadian General Investments Ltd. and Canadian General Investment Trusts, Ltd. It is managed by Canadian General Securities Ltd. and is headed by Rt. Hon. Arthur Meighen.

Only capitalization is 600,589 shares of no par value common stock on which dividends have been paid each year since formation, the present rate being 50 cents a share. Market value of investments has shown a continuous increase each year since 1932, but at June 30, 1937, was $8.7 millions compared with $8.8 millions at Dec. 31, 1936, a decrease of ½%.

A surplus of $2.7 millions has been built up from profits on sale of investments with $230,283 being added to this account in the first half of 1937.

The trust does not publish a list of the individual investments held but gives an analysis according to type of security. The trust has always favored Canadian securities and at the end of 1936 89.4% of its holdings were in Canada. Manufacturing with 14.9% and mining, excluding gold mining, with 15.7% were the largest items at Dec. 31, 1936.

The following table shows classification of investments at Dec. 31, 1936:

Type of Investment:	1936 %	1935 %	1934 %
Cash	0.1	0.2	2.9
Bonds and debs.	12.5	20.4	25.8
Preference shares	34.9	34.2	30.0
Bank & trust co. shs.	4.4	5.6	5.8
Common shares	48.1	39.6	35.5
	100.00	100.0	100.0

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Investment Trends

Advance in Stocks Hope For Autumn

Trend of Prices For Months Immediately Ahead Remains Indefinite, But Pattern of Movement Appears to be Following Last Year

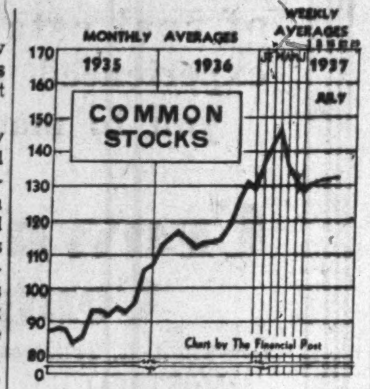
The old question of "What is the stock market going to do?" is becoming of greater interest among investment men with the recent strengthening of share prices. Interest in stocks usually lags when they fall and increases when they rise, and the current revival of attention to stock market possibilities apparently reflects opinion that prices are more likely than not to show improvement in the fall months.

Movements of averages for industrial shares in New York have been of impressive strength, but offset partially by sluggishness in railway shares. One interpretation is that prices in Wall Street have not risen into a doubtful zone and that some recession may be in order. But the prospects of higher prices after a period of hesitation are regarded as favorable.

Parallel With 1936

The comparative movement of New York and Canadian share prices is closely similar to that of last summer.

In midsummer, 1936, the New York Times average for industrial stocks ran above 130, while the Dominion Bureau Index for Canadian industrial shares lingered around 120. Ordinarily the two averages move closely together, and movements of the last four or five years show that when the New York index runs away from the Canadian the latter usually follows after a delay. The present situation is that the Dominion Bureau Index has risen only slightly above 130. The New York average, while not much higher, has recently advanced over 12 points. If last year's price movement repeats itself this autumn, both averages would move ahead to new high ground.



Another striking parallel in last year's price movements and this year's trend is that market averages broke down to low levels at the end of April.

* * *

Abitibi Criticisms

R. S. McPherson, liquidator of Abitibi Power & Paper Co., criticizes the bondholders' committee's plan of reorganization on these points:

1. It is complicated, making it difficult to ascertain what bondholders and shareholders will ultimately receive.
2. Ultimate issue of nearly 4.5 million shares is out of line with capital of competing firms.
3. It does not give adequate recognition to rights of shareholders.
4. Subscription rights offered to shareholders extend over a period too brief to allow the company to recover prosperous earnings.
5. Failure to exercise subscription warrants, and then conversion of bonds would dilute the shareholders' equity to less than one-third.
6. It reduces the status of bonds, preferred shares and common shareholders when earnings are rapidly improving.
7. Creation of a prior lien of $14 millions under present conditions seems unnecessary and unduly expensive.

Probably the most important point in Mr. MacPherson's comment is that concerning the brief life of the subscription warrants to be given to shareholders. If the life of the warrants were extended for even another six months it should enhance their value to the shareholders and might not add unduly to the sacrifices of bondholders. In other respects there is good reason for each aspect of the bondholders' scheme.

* * *

Reorganization Plans

Company reorganization schemes are now receiving closer scrutiny from investors than for many years. One striking development is that investors are becoming vociferous in complaining against injustices.

Even though some of the complaints may refer to imaginary grievances, it is a healthy condition to have close scrutiny and criticism of proposals to change the privileges of investors. Investors could help themselves by making their dissatisfaction known early in the proceedings. It is not very constructive to have complaints registered six months after a reorganization scheme has been effected.

Too often the shareholder who feels some form of reorganization is unfair fails to make his criticism effective by registering his vote against the proposals. The shareholder must vote, otherwise he leaves himself without an effective defense.

Investment Notes

Canada Cement—Recent strength in the preferred stock is predicated on the expectation that the dividend will be increased. No action is expected until results for the last quarter are known.

* * *

Canadian Car—Estimates now are that Canadian Car will deliver between $12 millions and $14 millions of equipment during the fiscal year ended Sept. 30 next. On this basis the company should realize a net profit of about $2 millions, which should be more than sufficient to cover the dividend on the preferred stock.

* * *

Ontario Steel Products—The total amount of the preferred dividend to be paid Aug. 14 is $17.75 a share, consisting of a regular quarterly dividend of $1.75 a share and elimination of all arrears of $16 a share. Earlier announcements were to the effect that the total would be $19.50 a share and have been corrected by the company.

* * *

Gypsum, Lime—The outstanding feature of the final meeting at which the present management was approved, in the opinion of a prominent shareholder, was the offer made by the chairman, Col. Henry Cockshutt. He affirmed a willingness to meet R. E. Haire and associates, who campaigned for removal of the present board, with the idea of reaching agreement to keep peace in the company. Many shareholders who were sorely puzzled as to how to vote will agree that the best thing for the company would be achievement of harmony in the management with the full confidence of investors.

* * *

Walker-G. & W.—An analysis of the common stock by Hornblower & Weeks, New York, of which copies have been distributed by Mara & McCarthy, Toronto Stock Exchange firm, remarks: "With estimated net earnings for the fiscal year ending Aug. 31, 1937, in excess of $8 a share on the common stock now outstanding, we believe an increase in dividend payments over the present annual rate of $2 per share may reasonably be anticipated."

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling* 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.6	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	146.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
Weekly Figures, 1937:												
July 1 ..	143.4	35.9	102.5	216.6	77.3	176.4	128.3	179.3	83.4	90.9	62.5	127.7
July 8 ..	148.0	41.3	104.5	221.2	78.3	179.8	132.6	188.1	85.6	90.6	63.3	131.4
July 15 .	148.4	40.4	103.4	221.6	79.3	181.9	135.9	190.1	86.3	90.6	63.1	131.9

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 27	165.62	121.23	164.37
July 26	165.04	121.86	164.96
July 24	165.64	121.39	164.54
July 23	165.52	121.60	165.15
July 22	165.96	122.55	165.16
July 21	165.43	121.83	164.80
Month ago ..	159.05	116.70	151.40
Year ago	133.29	149.78	167.00
High, 1937 ..	[illegible]	[illegible]	[illegible]
Low, 1937 ..	157.65	107.83	147.97

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 27	80.6	108.9	99.2
July 26	80.1	108.1	98.8
July 24	80.1	108.6	99.1
July 23	80.1	108.3	98.9
July 22	80.6	108.4	99.2
July 21	80.1	108.5	99.2
Month ago	[illegible]	[illegible]	93.8
Year ago	[illegible]	[illegible]	74.3
High, 1937 ...	92.5	122.2	109.5
Low, 1937	74.8	100.3	93.3

Montreal Power Net Profits Up

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat and Power Consolidated's net profit applicable to the common stock for the first half of the current year shows an improvement of $167,000 over last year.

Gross earnings were somewhat higher, as also were operating expenses and taxes. The improvement in net was largely due to a reduction of about $220,000 in fixed charges.

Power Output Makes Record

Central Electric Stations Report Impressive Figures

MONTREAL.—Continued industrial expansion and growth in domestic requirements, is reflected in the record output of central electric stations.

Last month the stations reported to the Bureau of Statistics an output of 2,253 million kw.h., or 11% above June, 1936, output. After adjustment for seasonal variations the index number reached a new high of 239.63, compared with the previous peak of 239.32 for last April.

Set New Record

Cumulative returns for the first half of the current year show a production of 12,824 million kw.h., a new high record for the industry and comparing with 11,674 million kw.h. for the same period of 1936.

All five economic areas have shared in the gain, as shown in the following table covering the returns for the half year:

Output in Thousands of Kilowatt Hours

	—1st six months— 1937	1936
Maritimes	486,652	392,068
Quebec	7,079,263	6,346,363
Ontario	4,389,153	3,956,343
Prairies	1,017,282	948,891
B. C.	801,921	798,421

Consumption Keeps Up

Consumption of firm power at 12,824 million kw.h. was 1,200 million kw.h. greater than in the first half of last year. The greatest gain was made in Quebec, but all other areas shared in the improvement.

Consumption of Electricity
(Thousands of kilowatt hours)

	—1st six months— 1937	1936
Maritimes	456,588	385,075
Quebec	6,025,995	5,315,916
Ontario	4,521,363	4,226,476
Prairies	1,026,295	957,568
B. C.	792,411	789,500

Exports Are Higher

Exports to the United States last month amounted to 158.6 million kw.h., bringing the total to date to 929 million kw.h. This contrasts with 768 million kw.h. in the first half of 1936 and was more than three times as great as reported in the first six months of 1933.

Fairchild Busy On New Model

From Our Own Correspondent

MONTREAL.—Fairchild Aircraft is now busily engaged in getting the new Sekani plane into the air for official tests as to air-worthiness. These machines, which are twin-motored, will carry 10 passengers and have a cruising speed of 170 miles. Subject to Government tests, orders have been placed for 12 of these machines.

Reports that the company is working on Lockheed planes for the Trans-Canada Airways Corp. are denied. Fairchild Aircraft acts as Canadian selling agents for Lockheed, but the machines for Trans-Canada are being built at Burbank, California. The company is assembling 18 Bristol pursuit planes for the R. C. A. F.

Fanny Farmer May Pay $2

Double Dividend Expected Following Gains in Profits

An increase in the current annual dividend rate from $1 to $2 a share is expected for Fanny Farmer Candy Shops Inc. this fall.

It is understood that the current offering of shares formerly held by Candies Investments Ltd., personal holding company of the president, Frank P. O'Connor represents liquidation of practically all Mr. O'Connor's investment in the company. The offering of stock does not represent new financing by the company. It is being made by Bain, Pooler & Co., Mara & McCarthy and Moss, Lawson & Co., all Toronto Stock Exchange member firms.

Profits Jump

Net profits of Fanny Farmer for the six months ended June 30, 1937, were $340,879, before tax allowance, equivalent to 87 cents a share. This compares with $233,132 before taxes in the first six months of 1936, or 59 cents a share.

The company's heaviest sales volume is in the later months of the year. After earning 59 cents a share in the first half of 1936, the company's final profit for the year was equivalent to $1.50 a share. If profits for the later months of 1937 work out proportionately to those of the last half of 1936, the experience to the end of June would indicate earnings for 1937 of more than $2 a share.

Sales of Fanny Farmer Candy Shops, Inc. for the six months ended June 30, 1937, were $3,017,701 compared with $2,527,998 in the corresponding period of 1936. The increase of $489,702 amounts to a gain of 19.4%.

Twin City Net Down For First 6 Months

Net income of Twin City Rapid Transit Co. for the first half of 1937, before allowing for tax on undistributed profits was $404,042. This compares with $478,535 on the same basis for the first half of 1936.

Income Account
Six Months Ended June 30

	1937 $	1936 $
Oper. income	4,749,964	4,819,316
Less: Oper. exps.	3,271,493	2,284,709
Net oper. revenue	1,478,471	1,534,607
Less: Taxes	566,462	482,888
Oper. income	912,009	1,051,719
Add: Other inc.	14,765	20,010
Gross income	926,774	1,071,729
Less: Int. on fund. debt	482,621	552,762
Disc. on fund. debt .	33,148	33,395
Misc. debts	6,963	7,037
Net income*	404,042	478,535

*Before provision for surtax on undistributed profits.

Loblaw Year Starts Well

Loblaw Groceterias Co. has started its new fiscal year with an increase in both sales and profits.

For the four weeks ending June 26, sales were $1,506,980, compared with $1,272,144 in the corresponding 1936 period, an increase of 18.5%. Net profits for the four weeks were $57,812, compared with $53,329, an increase of 8.4%.

In the recent report for the year ended May 31, 1937, the company showed net profits equivalent to $1.33 a share compared with $1.11 a share in the preceding year.

Profits Doubled By United Fuel

United Fuel Investments Ltd., Hamilton, controlling Hamilton By-product Coke Ovens and United Gas & Fuel Co. of Hamilton, reports net profits of $436,657 for the year ended March 31, 1937. This compares with $213,571 in the previous year.

On the 90,000 outstanding shares of 6% preferred stock, the earnings amounted to $4.85 a share, compared with $2.37 a share in the preceding year.

The improvement in net was effected by an increase in operating profits and reduction in bond interest requirements. The reduction in interest reflects economies in replacement of 6½% bonds with a 6% issue and also reduction of $460,000 in the funded debt of the two operating subsidiaries.

Reorganization Plan

S. A. Morse, president, states that the forthcoming plan of capital reorganization has been delayed by complications in operating problems. Most of these, he says, have now been removed.

A dividend of $3 a share has been declared on the preferred on account of arrears, payable Aug 16 to shareholders of record July 31.

Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Profit from operations	1,048,681	875,110
Less: Bond interest ..	284,944	351,313
Bond exps. & disct.	19,157	22,156
Organization exps..	......	7,181
Depreciation	221,706	220,263
Dominion inc. tax..	86,216	60,625
Net profits	436,657	213,571
Add: Prev. surplus ..	641,519	588,006
Less: Bond disct., exps., & sundry adjusts. ..	63,995	160,058
Surplus forward	1,014,181	641,519
Working Capital Position		
Current assets	1,904,525	1,611,279
Current liabilities	401,851	344,084
Working capital	1,502,674	1,267,195

Ottawa Contract Turns Spotlight on Dredger

Joe Simard, Once River Boat Captain, Has Built Up Largest Towing and Dredging Business in Dominion

By JOHN E. LANGDON

Ever since he was 14 years of age, Joseph Arthur Simard, of Montreal and Sorel, has been doing things. Still on the right side of 50, he has been long known as an outstanding French-Canadian businessman. But few people outside of the province have ever heard of him.

He might have gone on for years about his own business with the public little the wiser, had it not been for an announcement made this week by Minister of Transport Howe.

This announcement was that the Government's dredging fleet and maintenance shipyards at Sorel had been sold to General Dredging Contractors for $1.7 million, and further that this company would complete the $11.5 millions job of dredging a 35-foot channel in the St. Lawrence River from Montreal to the sea.

A 20-Year Plan

Joe Simard and General Dredging Contractors are synonymous.

For 20 years he has worked and worked hard toward building up one of the largest and most efficient shipbuilding, marine repair works, tug-boat services and dredging businesses in the country.

In 1917 he was engaged in the light and power business at Sorel. The heavy flow of traffic up and down the river gave him the idea that Sorel would be a good point to establish a shipyard. With the assistance of J. B. T. Lafremiere and Alcime Beaudet, he formed the Manseau Shipyard Co.

In time this enterprise spread its activities to include marine repair work of all kinds.

In 1924 Joe Simard acquired a dredging fleet. Four year later, the Manseau Shipyards bought control of the Sorel Mechanics Workshop and General Dredging Contractors. Further expansion took place in 1930 when the Manseau Company bought all the interests of the steel manufacturers. Beauchemin and Son, and Grils Brevetes, Sorel. These Sorel enterprises were consolidated under the name of Consolidated Marine Co., with Joe Simard as president.

Bought Out Sin-Mac

Up to this time his activities were more or less local, but in 1934 he acquired the bankrupt assets of Sin-Mac Lines and formed the Sincennes, McNaughton Line.

This gave Simard control of what is probably the largest towing, wrecking, lightering and salvage business in the Dominion, with operations extending from the head of the lakes to the seaboard.

With his previous interest in Consolidated Marine, Joe Simard emerged as Canada's No. 1 dredgerman, a position which has been further consolidated by the new contract.

Interest Came Naturally

His interest in the dredging and towing business came about naturally.

Joe Simard's father was a captain with the old Richelieu and Ontario Navigation Co., later Canada Steamship Lines. Joe joined the Richelieu and Ontario at the age of 14. He commanded small vessels and tugboats and soon secured his master's papers. Though the river life was attractive, he gave it up at 20 to accept the post of accountant for the City of Sorel.

Once in Power Business

A few years later found him superintendent of the power house at Sorel. In a short time he became manager and a large shareholder of the Sorel Light and Power Co.

He retained his interest in the power company for several years after starting the shipbuilding and dredging business. However, in 1924 he sold out to Shawinigan Water and Power Co. in order to devote all his time to the shipyard.

Other companies with which he is connected either as a director or an officer include: Sun Trust Co., North American Elevators, Canada Northern Power, Sherwin Williams Co. of Canada, Power Corp of Canada, and Lake Sulphite Pulp.

No one knows just how much Joe Simard is worth. His relative obscurity is due to abhorrence of personal publicity. Though of a retiring nature as far as the public is concerned, he is aggressive in business matters.

All in all, Joe Simard is a good example of the new type of French Canadian who is taking a more and more prominent part in business affairs.

Quebec Power Company

Quebec Power Company produces and distributes electric power and gas in the City of Quebec and surrounding territory. The Company is controlled by The Shawinigan Water and Power Company.

Net earnings for the year ended December 31st, 1936 were $1,739,853 before depreciation, or 3.36 times annual interest of $517,400 on total funded debt to be outstanding upon completion of this financing.

New Issue
Quebec Power Company
4% First Mortgage and Collateral Trust Bonds
Due September 1st, 1962
Denominations: $1,000 and $500.
Price: 98.50 and interest, yielding about 4.10%

Descriptive circular upon request.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

McCormick's Offers Plan

Reorganization Arises from Acquisition by George Weston

Special meetings of bondholders and shareholders of McCormick's Ltd., formerly Canada Biscuit Co., have been called at Toronto on Aug. 24 to consider a plan of capital reorganization.

The plan is the third reorganization in five years, but the two former schemes arose from inability of the company to carry its capital structure, whereas the present scheme has developed from acquisition of control by George Weston Ltd. In effect the plan gives bonds to all shareholders, leaving new common stock entirely in the hands of George Weston Ltd.

It is understood the new scheme will have the support of larger blocks of bonds.

Under the plan, interest on new bonds that would be given to present bond and shareholders is to be guaranteed by George Weston Ltd.

Proposed Exchanges

Details of provisions for the proposed exchange of securities are as follows:

(1) For each $100 of 5½% prior lien bonds, the holder will receive $100 of new 4½% guaranteed prior lien sinking fund bonds maturing July 1, 1952, plus $2.50, with interest adjusted at date of delivery.

(2) For each $100 of 5½% sinking fund mortgage bonds, the holder will receive $90 of new 4% guaranteed sinking fund mortgage bonds, maturing July 1, 1952, bearing interest from July 1, 1937.

(3) For each $50 of 6% preferred, the holder will receive $25 of guaranteed sinking fund mortgage bonds, maturing July 1, 1952, bearing interest from July 1, 1937.

(4) The common shareholders, other than George Weston Ltd., will receive the following:

(a) For each five shares now held, the holder will receive $25 of new 4% guaranteed sinking fund mortgage bonds, maturing July 1, 1952, bearing interest from July 1, 1937, and

(b) For each three shares held, and not provided for under (a), one share of George Weston Ltd., and

(c) For each share held, and not provided for under (a) or (b), a cash adjustment of $5

Or, common shareholders may receive the following alternative:

(a) For each three shares held, one share of George Weston Ltd., and

(b) For each share held, and not provided for under (a), a cash adjustment of $5.

Langley's Plan Stirs Objection

Opposition to the plan of arrangement of capital of Langley's Ltd. at the recent special meeting of shareholders came from six holders of 411 preference shares and one holder of 100 common shares. This information is given in a notice to shareholders dated July 20 advising them of application to Mr. Justice McTague of the Supreme Court of Ontario for sanction of the plan. The information on opposition votes differs from earlier information from the company that only one shareholder voted against the plan.

In favor, there were 3,696 preference shares held by 173 shareholders and 15,692 common shares held by 52 shareholders.

The plan is to be considered in the Supreme Court of Ontario on Sept. 10. Under the Dominion Companies Act, approval of 75% of each class of stock represented at the meeting is necessary for completion of the plan. While the requisite percentage approval was voted at the meeting, it is understood that opponents of the scheme intend to carry their criticism to the court.

Provisions of Plan

Opponents of the Langley's plan consider it unfavorable to preferred shareholders on several grounds. The scheme would recapitalize the company, eliminating the dividend arrears of $21 a share on the 5,657 shares of 7% preferred. For each $100 preferred share the holder would receive two shares of $50 each of 5% preferred, one share of second preferred and one common share. The present common would be undisturbed and would hold voting control.

New first preferred dividends would be cumulative from July 15, 1937, making no provision for accruals between May 15, and July 15. The second preferred shares of no par value would carry annual dividends of $1 a share, but cumulative only after Oct. 15, 1939. The second preferred is callable at $20 a share, but only after the whole first preference issue is redeemed.

National Light & Power Obtains New Contract

National Light and Power Co., Moose Jaw, announces that it has recently signed a 10-year contract to supply power to Natural Sodium Products Ltd.

Delivery of power will begin as soon as the 35 miles of power line is completed around the end of October. Completion of this power line and the new contract will, it is estimated, increase the company's revenues by $30,000 to $50,000 per annum.

Walkerville Brewery Sales Increase 29.5%

Walkerville Brewery Ltd. advises the Toronto Stock Exchange that net sales for the first half of 1937 increased 29.5% over the same period of 1936. For the six months period, net profit after taxes, but before depreciation, was $23,594. Net profit of $8,275 is shown after deducting depreciation of $15,319. Liquid position shows total current assets of $378,036 against current liabilities of $45,279.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
July 20	30,900	33,600	575,000
July 21	25,900	47,500	501,000
July 22	19,000	60,000	462,000
July 23	26,500	59,000	446,000
July 24	8,200	32,400	219,000
July 26	17,800	28,900	344,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.80	5.00
Can. Invest. Fund (ex-div.)	4.60	4.95
Grouped Income	6.68	7.35
Can. Equity	13.50	....
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.25	6.00

Public Utility Earnings

Brazilian Traction

June:	1937 $	1936 $	Increase $
Gross earn..	3,479,576	2,667,714	811,862
Oper. exps..	1,496,740	1,179,237	317,503
Net earns...	1,982,836	1,488,477	494,359
Aggre. gross from Jan. 1	18,534,605	15,223,475	3,311,130
Aggre. net			

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Winnipeg Electric Company
4%—5% Series "A" Bonds
Due January 2nd, 1965

Interest at 4% to 1942 and thereafter at 5%

Price: 78.50 and interest, yielding 6.33%

Descriptive circular sent upon request

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355 St. James Street West, Montreal
Branches in the principal cities of Canada

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This advertisement is not and is under no circumstances to be construed as an offering of these shares for sale or as a solicitation of an offer to buy any of such shares. The offering is made only by the Prospectus.

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26,000 Shares
6% Cumulative Preferred Stock
($25. par value)
Price $26. per share

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Class A Stock
($1. par value)
Price $17. per share

Copies of the Prospectus may be obtained from the undersigned.

Hallgarten & Co. R. A. Daly Co., Limited
July 28, 1937.

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LIMITED

A new analysis describing the largest Canadian producer of steel and coal available on request.

Ask for Analysis P5

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Office Manager, Accountant, Buyer, Cost Accountant, Statistician, desires change of position. Excellent experience. BOX 104, The Financial Post, Toronto, Ont.

Engineer Wanted

PUBLIC Works Engineer for the Municipality of Teck Township. Salary $325.00 per month. All applications to be in by August 10th, 1937, with particular reference to construction experience and Municipal Waterworks and general Municipal lines. State if O.L.S. qualifications. Apply with qualifications, record of experience, and references; to Chairman Public Works Committee, Teck Township, Kirkland Lake, Ontario.

Quebec Power Company

NOTICE OF REDEMPTION

To the holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, of Quebec Power Company.

NOTICE is hereby given that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from QUEBEC POWER COMPANY to NATIONAL TRUST COMPANY, LIMITED, Trustee, bearing formal date of December 1, 1928, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds and Registered Debenture Stock, Series "A", 5%, on the first day of September 1937, at ONE HUNDRED AND THREE AND ONE-HALF PER CENT (103½%) of the principal sum thereof, with accrued interest on such Bonds and Registered Debenture Stock to the said first day of September 1937.

Holders of the said Bonds are required to present their Bonds on September 1, 1937 either at the principal office of THE ROYAL BANK OF CANADA, 360 St. James Street West, in the City of Montreal, Canada, or at the principal office of the BANK OF THE MANHATTAN COMPANY, 40 Wall Street, in the Borough of Manhattan, The City of New York, United States of America, for redemption on the said date. Bonds must be accompanied by the interest coupons appertaining thereto which mature on and after December 1, 1937.

Holders of the said Registered Debenture Stock are required to surrender their Debenture Stock Certificates on September 1, 1937, at the principal office of THE ROYAL BANK OF CANADA, 6 Lothbury, London, E. C. 2, England, for redemption of such stock on the said date.

In case such Bonds and Debenture Stock Certificates are not presented for redemption on September 1, 1937, at the respective places hereinabove designated, all interest on the said Bonds and Registered Debenture Stock will cease to accrue from and after the said date.

Dated at Montreal this 27th day of July, 1937.

QUEBEC POWER COMPANY

JAMES WILSON,
Secretary.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

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SMALL DAILY OR WEEKLY. AN experienced newspaper man would like to secure a part or whole interest in a good small city daily or town weekly. Would pay cash. Give full details. Box 100, The Financial Post, Toronto.

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SALES ENGINEER WITH FIFTEEN years executive experience in charge of sales organization wishes new contact. Write Box 75, The Financial Post, Toronto.

Bond Markets

Abitibi, Beauharnois Favorites in Trading

Changes in Hopes of New Hydro Deal for Beauharnois Cause Sharp Swings in Prices — Abitibi Bonds Depend on Reorganization

Trading in government and municipal bonds has been dull with prices tending to strengthen slightly.

Beauharnois 5% bonds continue to command most of the attention among corporation securities. They recently marched from 65 to 70 and then marched back again. The Financial Post is advised by an informant friendly to the Hepburn Government that investors in Beauharnois will probably be "conciliated" before the Ontario election occurs in the fall. But official confirmation of any conciliation is still lacking, and Beauharnois securities rise and fall with momentary changes of sentiment on the possibilities of a new deal from the Ontario Hydro.

Abitibi 5% bonds were slightly more active after publication of the bondholders' committee's reorganization plan, but have remained around 100. An estimate of the probable value of the bonds if the plan is consummated is 115 to 125, depending upon the strength of paper shares in stock markets.

Speculative Bonds

Pronounced advances in prices for all types of bonds in the last three or four years have made it necessary for investment dealers to comb security lists carefully for speculative depreciated bonds on which their clients may have a possibility of profit.

One result is that the types of speculative bonds now being recommended may have less merit than similarly situated bonds two or three years ago.

One dealer lays stress on a principle which should be of interest to every bond investor, but which is sometimes forgotten to the bondholder's cost. That is, when a bond crosses 100, the possibility of capital profit is slight and the chief question about the investment is whether it will remain safe, and not decline appreciably in price. In other words, when a bond has gone above 100, the only direction in which there can be a major price movement is downward. Of course, there may be possibilities of profits above 100 in a few cases of bonds carrying arrears of interest or conversion features.

* * *

Convertible Bonds

It seems unfortunate that there are not more bond issues available to the Canadian investor carrying privileges of conversion into stock, because such privileges give the investor a stable income security along with the possibility of improvement in capital or income in a period when he may need it.

There is little doubt that convertible bonds, provided the conversion feature has any generosity to it, would be popular at present with individual investors. However, there has been some tendency to neglect the average investor and to concentrate on sales of bonds to large investors. It is therefore not surprising that many investors have been turning to preferred stocks with the idea of maintaining stability of income, plus a possibility of profit in conversion features, common shares issued in discharge of arrears, or gaining from some future settlement of arrears.

* * *

Gatineau Refunding

In connection with discussion of refunding of Gatineau Power 6% bonds, opinion among bond men is that the company should have a longer term contract with the Ontario Hydro to ensure satisfactory refinancing of the issue. The bonds now mature in 1941, and the company's contract for sale of power to the Ontario Hydro runs to Oct. 31, 1945.

The company's refunding problem is therefore related to the contract and would be easier if there were assurance that the Hydro would be buying power on the full contract basis over the next 15 or 20 years.

* * *

B. C. Bonds

With business in British Columbia continuing to show improvement, bonds of the province are attracting the attention of investors who desire a higher yield than is available on high-grade Government issues.

British Columbia has staged a remarkable recovery during the past two years, coming back from the verge of default to a position where it was able to sell a short-term bond issue to institutional investors this spring at a favorable rate. During the past three years the province has had a large surplus on ordinary account, exclusive of unemployment relief. Surplus in the year ended March 31, 1937, amounted to $2¼ millions, and as a result the province will be able to reduce its relief borrowings from the Dominion Government.

As in the other provinces reduction in relief costs lagged behind recovery. In the current year, however, relief has shown a steady reduction. It was recently announced that total registration of persons receiving government assistance as at June 30 last was the lowest since 1931. Total registration of persons receiving relief at June 30 was 58,030, compared with 79,923 at the same date last year. If the number of people on relief continues to drop, the province should have no difficulty in restoring its finances to a sound basis.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can Steamships.	5%	1943	Aug. 15	105
Can. Cons Rub. ..	6%	1946	Oct. 1	110
Dom. Tel. Sec.	a5½%	1978	Aug. 2	100
Steel of Can.* ...	6%	1940	Aug. 1	...
B. Amer. Oil† ...	4%	1945	Sept. 1	102
Zimmerknit	6%	1951	Aug. 3	100
Do., 2nd mtge. .	6%	1961	Aug. 3	100
Eastern Car	‡5%	1952	Aug. 6	...
Ont. Power	a5%	1943	July 31	...
Religious Issues:				
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

*Tenders called for $427,587 for sinking fund purposes. ‡$39,490. a$125,000.
†For sinking fund purposes, $207,000. a$3,400.

Can. Northern Output at Peak

Earning Power Keeps Pace With Demand for Service

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp., subsidiary of Power Corp. of Canada, reports gross income of $2.4 millions for the first half of 1937. This contrasts with better than $2.2 millions for the corresponding period of last year, and is an increase of $167,989.

Net operating revenues for the current half year totalled $1.4 million, an increase of $22,146 over last year. For the half-year period, cumulative power output totalled 315.4 million kw.h., as against 291 million kw. last year, an increase of 24.3 million k.w.h.

Comparative earnings statements are as follows:

Income and Expense

June:	1937 $	1936 $
Gross earnings	415,349	375,044
Oper. expenses	168,200	144,625
Net earnings	247,149	230,419
6 Mos. end. June 30:		
Gross earnings	2,414,972	2,246,983
Oper. expenses	996,044	850,201
Net earnings	1,418,928	1,396,782

English Electric Shows Earnings

Substantial Increase Is Expected for Full Year

English Electric Co. of Canada is expected to show marked improvement in earnings this year over the net of $1.55 a share on the class A stock in 1936.

In the three months ended March 31, 1937, the company earned $9,496, almost eliminating the deficit on the books on Dec. 31, 1936. The company has subsequently declared a dividend of 62½ cents a share on the class A stock, requiring payment of some $29,000. The dividend payment therefore indicates that earnings subsequent to March 31 have exceeded $30,000, or more than enough to wipe out the small deficit at March 31 and permit the dividend payment.

In the statement for the three months ended March 31, current assets are shown at $676,046 and current liabilities at $133,612, leaving working capital of $542,434, compared with $551,374 at Dec. 31, 1936.

The three months' earnings figures follow:

Income and Surplus Account
Three Months Ended March 31, 1937

	$
Profit on operation	24,865
Less: Directors' fees	300
Exec. salaries	5,200
Add: Other income	1,936
Net earnings	21,301
Less: Depreciation	10,000
Income taxes	1,805
Net profit	9,496
Less: Previous deficit	10,598
Deficit forward	1,102

Saguenay Power Revenue Up

From Our Own Correspondent

MONTREAL.—Saguenay Power Co. is now installing the 12th 45,000 h.p. generating unit at its Isle Maligne plant, at a cost estimated to be around $350,000. Construction is proceeding according to schedule and the unit is expected to be in operation by September. Contracts have been let to Canadian Westinghouse for generators; to Canadian Allis-Chalmers for water wheel and to Dominion Bridge Co. for the steel work for gates.

Gt. Lakes Power Earnings Expand

Bond Interest and Preferred Dividends Well Covered

Great Lakes Power Co. reports improved earnings in the three months ended June 30, equivalent to twice interest charges and covering preferred dividends over five times.

For the six months ended June 30, earnings were 1.9 times interest charges and net profit was nearly five times the preferred dividend requirements.

Comparative figures follow:

Income Account
Three Months Ended June 30

	1937 $	1936 $
Operating revenue:		
Electric	221,206	197,084
Hydraulic	15,714	15,713
Total oper. revenue ..	236,920	212,777
Add: Other income ...	6,003	6,545
Less: Oper. exps.	32,484	20,637
Maintenance	7,650	7,294
Depreciation	26,880	24,023
Taxes, prov. & local	13,711	15,017
Income taxes	13,589	9,638
Net earnings	148,629	142,713
Less: Bond interest ..	70,156	19,987
General interest ...	1	72,953
Debt disct. & exps..	6,763	......
Taxes assumed	......	456
Net profit	71,709	49,317
Less: Preferred divs...	13,125	13,125
Surplus for period ...	58,584	36,192
Six Months Ended June 30		
Operating revenue:		
Electric	424,849	392,059
Hydraulic	31,408	31,427
Total oper. revenue ..	456,257	423,486
Add: Other income ...	6,240	6,698
Less: Oper. exps.	63,537	44,933
Maintenance	12,034	13,206
Depreciation	53,875	54,038
Taxes, prov. & local	27,926	28,212
Income taxes	24,679	15,839
Net earnings	280,446	273,956
Less: Bond interest ..	140,313	41,340
General interest ...	1	144,754
Debt. disct. exps. ..	13,525	......
Taxes assumed	86	500
Net profit	126,521	87,362
Less: Preferred divs. .	26,250	26,250
Surplus for period ...	100,271	61,112

Gaspesia Sulphite Co. Reopens Chandler Mill

From Our Own Correspondent

MONTREAL.—After lying idle for several years, the Chandler pulp mill was formally reopened this week by the Gaspesia Sulphite Co. Ltd.

The Gaspesia Sulphite Co. was organized and is being financed by F. W. Clarke, vice-president of Anglo Canadian Pulp and Paper Mills, and associated English interests.

Power Corp. Group Output Gains 15.6%

From Our Own Correspondent

MONTREAL.—Subsidiary and affiliated companies of Power Corp. of Canada report an output in June of 190.3 million kw.h., an increase of 15.65% over the same month last year.

Comparative output figures are as follows:

Output in Kilowatts

June	1937	1936
Southern Canada .	20,113,370	14,996,440
Canada Northern .	52,942,257	48,172,493
East Kootenay	8,680,700	7,736,836
B. C. Power	43,072,379	39,944,828
N. B. C Power ..	971,180	850,760
Winnipeg Electric.	64,521,600	52,848,300
Total kw.h.	190,301,866	164,551,657

Ice Deflecting Dyke

MONTREAL. — Cedars Rapids Manufacturing and Power Co., subsidiary of Montreal Light, Heat and Power Consolidated, has deposited plans with the federal minister of public works for an ice deflecting dyke to be built in the St. Lawrence River at Cedars.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

		July 19	July 20	July 21	July 22	July 23	July 24
	Par						
U. S. dollar,	High	1.00 1/16	1.00 1/16	1.00 1/32	1.00⅛	1.00⅛	1.00 1/16
	Low	.....	1.00 1/32	.....	.....	1.00 1/32	1.00 1/32
1936,	High	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/16	1.00 1/32
	Low	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/16	1.00 1/32	1.00
U. K. pound	....	4.98½	4.99¼	4.99¼	4.99	4.97⅛	4.97⅛
Australia	....	3.99	3.99½	3.99½	3.99⅝	3.98⅛	3.98
Austria	....	.1883⅛	.1883⅛	.1885½	.1891	.1888⅛	.1887½
Belgium	....	.1687¼	.1687⅝	.1687⅛	.1685⅞	.1684⅛	.1684½
Brazil	....	.0670	.0668	.0670	.0670	.0670	.0671
Czechoslovakia	....	.0349⅝	.0349½	.0349½	.0349⅛	.0349	.0349
Denmark	....	.2226¼	.2229¼	.2229⅝	.2228½	.2221⅝	.2220¼
France	....	.0376½	.0376½	.0372⅝	.0374½	.0375⅝	.0373⅞
Germany	....	.4030½	.4034	.4034	.4032¾	.4027⅝	.4026½
Greece	....	.0091⅝	.0091⅝	.0091½	.0091⅛	.0091⅜	.0091½
Holland	....	.5520⅞	.5532⅜	.5531⅜	.5538⅝	.5521¾	.5519¾
Hungary	....	.1978¾	.1978¾	.1978¾	.1978	.1975½	.1975⅝
India	....	.3765	.3771	.3771	.3769⅞	.3763¼	.3756¼
Italy	....	.0527¼	.0527¼	.0527¼	.0527	.0526½	.0526⅝
Japan	....	.2899½	.2905½	.2904½	.2903½	.2899	.2898
Jugoslavia	....	.0234	.0234	.0234	.0233⅞	.0233½	.0233½
New Zealand	....	4.02	4.02½	4.02½	4.02⅜	4.01⅛	4.01
Norway	....	.2505⅝	.2509¼	.2510¼	.2509⅝	.2500¾	.2499¼
Poland	....	.1894	.1897	.1896	.1896	.....	.1893½
South Africa	....	4.97½	.....	4.98¼	4.98	4.96⅛	4.96¼
Sweden	....	.2571⅜	.2574⅜	.2575¼	.2574⅛	.2565¾	.2564¼
Switzerland	....	.2295¾	.2299¼	.2299¼	.2288	.2296¾	.2296¾
Hong Kong	....	.3043⅝	.3049¾	.3051¾	.3052¾	.3047	.3043

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Big British Bondholders Accept Debt Settlements

From Our Own Correspondent
By Cable to The Financial Post

LONDON.—British bond, banking and insurance interests who have hitherto declined to accept advice of Canadian bondholders' committees have now signified that they will do nothing to interfere with safe passage of the proposed settlements between bondholders and the cities of Calgary, Victoria and Edmonton. This stand is regarded in effect as signifying tacit approval of the compromise plans.

Failing acceptance of the settlements by British bondholders, there was grave fear of preventing consummation of the plans. Approval of 60% of creditors is necessary to make such schemes effective. The attitude of British bondholding groups in tacitly accepting the plans is therefore a big step toward their completion. The former attitude to such settlements among major British bondholders was one of traditional antagonism to condoning anything smacking of repudiation and of preferring total loss rather than opening the floodgates to a tide of debt evasions.

Dealers in colonial government and municipal bonds on the London Stock Exchange recently issued the following statement, of interest to all city of Calgary bondholders:

"The city of Calgary has now put forward a scheme to its bondholders. Briefly, it provides for the continuance of interest on each class of bond at its present rate up to the various dates of redemption, and thereafter a continuance at 4½% until 1962. This is a scheme which, having regard to all the facts in the case and with full disclosure by the city of its financial position, the market considers should be adopted, and the bondholders are therefore recommended to accept the proposal."

On the Calgary plan, the London Times comments:

"The scheme is certainly of a much more reasonable character than some of those that have been put forward by embarrassed cities of western Canada. Details are set forth by the Calgary debenture-holders' committee of Toronto in a circular dated June 15. There is no corresponding committee in London, and it would certainly be an advantage if a London office were opened to receive the necessary forms, etc. Calgary bonds are in bearer form, and in these circumstances the offer should be kept open for a considerable time in order to give holders a fair opportunity of studying it."

Quebec Power Refund Bonds

Syndicate Puts $12.9 Millions of 4% Bonds on Market

From Our Own Correspondent

MONTREAL.—Quebec Power Co. is making a public offering of $12.9 millions of 25-year 4% first mortgage collateral trust bonds through a syndicate headed by Aldred and Co. at a price to yield the purchaser 4.10%.

This financing will refund its series A and B bonds which are outstanding to the extent of around $12.2 millions.

Benefits of Refunding

The current issue will limit payment of principal and interest on the company's debt to Canadian funds only and will effect some saving in interest charges.

The balance of the authorized issue, amounting to $452,000 will be available to the company for its corporate purposes.

The bonds are callable on option of the company on 30 days notice at 103 and interest on or before September 1, 1942, and thereafter as a declining premium as set forth in the trust deed.

Net earnings of the company before depreciation, for the 12 months ended December 31, 1936, were $1,739,853, or 3.36 times annual interest on total funded debt.

Godfrey Realty Calls Meeting

Submit Reorganization Plan to Bondholders on Sept. 30

From Our Own Correspondent

MONTREAL.—Holders of the 6% first mortgage bonds of Godfrey Realty Corp. will meet in Montreal on September 30 next to consider a plan of reorganization.

Bondholders will be asked to waive all claims for interest up to and including June 1, 1937; reduction in interest rates from 6% to 4%; extension of maturity to June 1, 1952; extinguishing all claims to sinking fund payments due and unpaid up to the date on which the plan becomes effective; and making the first mortgage a closed issue at $1.4 million.

The plan provides that the second mortgage income charge bonds and the trust deed securing the same shall be discharged.

The authorized capital stock of the company will be reorganized so that it shall consist of 8,400 shares of no par value, all of which shall be outstanding. Of this number, 2,800 shall be distributed to the bondholders on the basis of one share for each $500 of bonds. The balance will be distributed among the holders of the second mortgage income bonds and the holders of the existing common shares.

Canadian Investment Securities

Enquiries invited.

BELL, GOUINLOCK & CO.
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Saguenay Power Adds Last Isle Maligne Unit

From Our Own Correspondent

MONTREAL.—Saguenay Power Co.'s consolidated operating revenue for the second quarter in 1937 amounted to over $1.2 million. This is an increase of about $37,000 over that reported in the previous three months.

Net income for the quarter amounted to $356,296, from which was paid the regular dividend on the preferred and $1 a share on the 210,000 shares of common stock outstanding. For the first half of this year the company has paid dividends totalling $5 a share on the common stock.

Interim reports show a gain from sale of securities of $201,653, which was added to surplus. The latter now stands at just under $3 millions.

Fanny Farmer
Candy Shops Inc.

An up-to-date analysis of Fanny Farmer has just been completed!

A copy will be sent on request

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Refunding Issue

$12,935,000

Quebec Power Company

First Mortgage and Collateral Trust Sinking Fund Bonds
Twenty-Five Year Series "C", 4%

Dated September 1st, 1937 Due September 1st, 1962

Interest March 1st and September 1st. Coupon Bonds, $1,000. and $500. denominations, registerable as to principal only. Principal and interest payable at the principal office of the Company's bankers in the Cities of Quebec, Montreal, Toronto, Halifax, Winnipeg or Vancouver, in lawful money of the Dominion of Canada. Callable at the option of the Company on thirty days' notice as a whole at any time or in part on any interest date, at 103 and interest on or before September 1st, 1942; thereafter at 102¼ and interest on or before September 1st, 1947; thereafter at 101½ and interest on or before September 1st, 1952; thereafter at 100¾ and interest on or before September 1st, 1957; thereafter at 100 and interest to maturity.

National Trust Company, Limited, Montreal, Trustee

In the opinion of Counsel these Bonds will be a legal investment for funds of Insurance Companies registered under the Canadian and British Insurance Companies Act, 1932.

CAPITALIZATION
(Upon completion of present financing)

First Mortgage and Collateral Trust Sinking Fund Bonds (Authorized $100,000,000)	Authorized	Outstanding
Series "C", 4% (this issue)	$13,387,000	$12,935,000*
Capital Stock (No Par Value)	600,000 shs.	553,198 shs.

*NOTE: The balance of $452,000 Series "C" Bonds are now to be issued but not sold, and will be available to the Company for its corporate purposes.

BUSINESS AND PROPERTY

Quebec Power Company, which is incorporated under the laws of the Province of Quebec, Canada, and is controlled by The Shawinigan Water and Power Company through ownership of the majority of the issued Capital Stock, produces and distributes electric power and gas in the City of Quebec and adjacent territory; its wholly owned subsidiary, The Quebec Railway, Light and Power Company, owns and operates the tramways system in the City of Quebec.

EARNINGS

Net Earnings, before depreciation for the twelve months ended December 31st, 1936 were $1,739,853, or 3.36 times the $517,400 annual interest on total Funded Debt to be outstanding with the public upon completion of present financing.

PURPOSE OF ISSUE

Proceeds of this issue will be applied to the redemption on September 1st, 1937, of the Series "A" Bonds and Registered (Sterling) Debenture Stock and the Series "B" Bonds heretofore issued and now outstanding in the hands of the public, totalling $12,170,633 principal amount. The balance of funds required for this purpose will be supplied from the Company's own resources.

Price: 98.50 and accrued interest, yielding about 4.10%

Bonds offered when, as and if issued and received by us and subject to approval of counsel. All legal matters pertaining to this issue to be passed upon by Messrs. MacDougall, Macfarlane, Scott & Hugessen, of Montreal. It is expected that Trustee's Interim Certificates will be ready for delivery on or about September 1st, 1937.

Copy of the Offering Circular may be obtained on request.

Aldred & Company, Limited

Wood, Gundy & Company, Limited **Dominion Securities Corporation Ltd.**

Collier, Norris & Henderson, Ltd. **A. E. Ames & Co. Ltd.** **L. G. Beaubien & Co., Ltd.**

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TORONTO, JULY 31, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Co-operation With Alberta

THE most recent action of Premier William Aberhart of Alberta and his Social Credit Cabinet is naive to say the least.

After having hurled charge after charge at the banks and the so-called "financial interests" during the past two years and having blamed them for most of the financial and economic ills of Alberta, the Cabinet is now asking the co-operation of banks and bondholders in order to facilitate the establishment of a Social Credit Utopia and the payment of a $25 monthly dividend to all Alberta citizens.

In a letter to the banks seeking their voluntary co-operation, Hon. Solon E. Low, provincial treasurer, states:

> "The sort of action that must be taken immediately is indicated by the definitely ascertainable fact that for every dollar owed by the people of this province only approximately 20 cents with which to pay it is at present available to them.
>
> "Since nothing but a dollar will discharge a debt created at its issue, the disparity disclosed above must be quickly adjusted as also must all other disparities. Arrangements must be made also that such anomalies do not recur."

This statement is a vague and curious generality and for that reason quite meaningless. How Mr. Low arrives at the estimate of 20 cents being available for the payment of debts is not explained. It is futile, in any event, to speculate on his meaning since it is unlikely that he knows it himself.

Even more surprising is the statement that adequate remuneration will be paid to the banks for their services and that "the Government will assume full responsibility for ensuring that neither the banks or their depositors shall suffer any direct monetary loss as a result of the Government adopting measures which will be necessary to make finance within the province record in figures what takes place in fact." This is an about-face. When the debt reduction legislation was passed last year and interest on bonds cut, there was no suggestion that the Government would reimburse the banks or other interests for losses incurred.

The banks are quite willing to co-operate with the Alberta Government in any sound and constructive action to restore normal economic life to Alberta and to put the finances on the province on a stable basis. They will, however, and rightly so, require a great deal of additional information as regards the proposal of the province before pledging cooperation about which they have been given no information.

The Government has requested the co-operation of bondholders through registration of their holdings by Aug. 16. The only reason given is that the Government needs the information to facilitate establishment of Social Credit and to make arrangements for the payment of Alberta securities. In view of its past treatment of bondholders it is difficult to see how the Government can expect anyone to believe in its good faith.

Few bondholders will accede to the Government's request until an outline is given as to how the Government proposes to meet its debts. No bondholder wants Social Credit certificates in exchange for his bonds.

The Winnipeg Crisis

THE crisis which developed recently in connection with the financing of relief in the City of Winnipeg illustrates the need for immediate action by the Dominion Government in appointing the proposed Royal Commission which is to investigate the division of financial responsibilities and taxation as between the Dominion and the provinces.

The crisis arose because of the refusal of the banks to loan the city additional funds for relief purposes. The city then turned to the province with the request that the province's share of relief costs in Winnipeg should be increased. Here again the city was met with a refusal and even when the Dominion offered to advance the funds necessary for this purpose the province still refused to assume additional responsibility. Solution of the problem only came when Premier John Bracken of Manitoba retreated from his stand in the face of insistence from the Dominion Government and the city.

In its treatment of the situation Dominion Government adopted the right course. Even aside from the fact that it lacked statutory authority to aid Winnipeg in any other way than by making a loan to the province there was no other course open to it. To have made a direct grant or loan to the city would have merely meant that other municipalities would soon have been knocking at the door of the Dominion treasury.

Winnipeg, in fact, had a peculiarly strong case for its request for additional aid from the province. The Bank of Canada in a report on the finances of Manitoba indicated that citizens of Winnipeg had been called upon to pay too large a proportion of provincial taxation. At the same time the city has paid more than its share of relief costs in the province.

On the other hand, one cannot help but sympathize with the position of the Manitoba Government. Already overburdened with debt and budget difficulties, the Provincial Government had no desire to assume additional financial responsibilities. But much trouble, uncertainty and expense would have been avoided if Premier Bracken had taken a more realistic view of the situation and accepted the Dominion's offer when first made.

Manitoba feels that relief is a national responsibility, but nothing can be gained by trying to force the hand of the Dominion Government in view of the pending appointment of a Royal Commission to study this and other questions related to Dominion-provincial finance. The danger is, however, that the study will be too long delayed and that other situations similar to the recent Winnipeg crisis will develop. Temporary expedients such as that used in the Winnipeg crisis only complicate rather than solve the problem.

The Sun and the Moon

THE conference on Canadian-American Affairs, that was held at Kingston recently, spent a good deal of time enquiring into the question of why Americans know so little about Canada when Canadians are so well informed on the United States. Different speakers were able to discover a wide variety of reasons.

One reason is that the United States is almost as broad as it is long, while Canada is a narrow strip of a country. Every Canadian lives close to the United States and most Canadians come into frequent contact with American influences through visits, broadcasts, movies, newspapers and magazines. On the other hand, only a limited number of Americans ever establish any contact with Canada. Many of them live as far away from Canada as we live from Mexico, concerning which Canadians know little.

Another reason is that the Americans who have come to Canada to live are well scattered all over the Dominion. There are Americans living in every Canadian census district and they are evenly distributed all over the Dominion. Canadians living in the United States are concentrated in a few large cities. Three American census districts contain half of the Canadian-born population of that country.

Then there is the question of comparative size. The sun exerts more influence on the moon than the moon exerts on the sun. It is natural that the larger and more populous and wealthy of the two countries should influence the other nation more than the smaller nation can influence the larger.

Our Mad Wheat Gamble

EUROPEAN countries will be a long time forgetting the attempt of the Canadian wheat pools and the United States government to hold them up in the dying hours of the last period of prosperity. The United States this year is again concerned about wheat exports; and Canada, of course, is vitally interested in maintaining and enlarging its foreign trade in that cereal.

A French writer, Baron Mourre, writing in Revue Hebdomadaire, goes further than most critics of Canada's inept and short-sighted wheat policies. He declares that the speculative wheat holding policy of the Canadian wheat pools was "a responsible factor in the depression." He compares them with the "sorcerer's attempts, whose inexperience prompts him to release the mysterious forces over which he has no power."

Baron Mourre admits that the pools little suspected that the course they pursued was leading to a world catastrophe.

No other important commodity fell as sharply in price as did wheat. In 1930 wheat dropped 65 per cent; rubber 47 per cent; cotton 44 per cent; coffee 20 per cent and sugar 14 per cent.

The drop in wheat prices almost completely destroyed farm purchasing power. In consequence, all those who ordinarily sell to farmers suffered. That is why the depression lasted so long; the farmer could not buy and. therefore, others could not sell.

Baron Mourre's article is published in a translation in the Magazine Digest, Toronto.

Editorials in Brief

United States gold hoards have dropped for the first time in 17 months, which shows what can be accomplished by kite flying.

Washington never had any intention of cutting the price overnight as was suggested last spring but it encouraged rumors to that effect.

• • •

Ontario's Premier Hepburn was forced to change his stand on the separate schools tax question. Mr. Baldwin gave way to public opinion on many matters. President Roosevelt had to back down on the Supreme Court issue. But Alberta's Mr. Aberhart is still hammering away at Social Credit.

• • •

Toronto's Communist daily reports getting a paid subscription as a result of "free advertising" it has received in The Financial Post.

To date, The Post has not received any subscriptions as a result of the free advertising it gets regularly in the Communist sheet.

This is apparently the way "share-and-sharealike" works out in actual practice.

• • •

Civil servants are much like other people in their habits, in their needs and in their daily life. We cannot imagine that the average public official has much use for a freight car or a locomotive or a tug or a Diesel engine. Yet all of these products are advertised in the current number of the Civil Service Review. In fact, most of the advertisements in this quarterly are of goods and services that the manufacturers hope to sell to the government rather than to the individual employees.

• • •

President Roosevelt's embarrassed withdrawal from his determined effort to force the Supreme Court under White House dictation represents the most serious political setback of his four and a half years of office. He was defeated by public opinion working through the conservative elements in his own Democratic party.

The president is above all an opportunist—more an opportunist than a revolutionary. He is likely now to seek to manoeuvre himself into the position of leader of the conservative majority in his own party. This would hardly make him a Coolidge or a Hoover but it should represent a marked swing away from the left.

• • •

A writer in "Coronet" tells of his experiences as a reporter on a Russian language radical paper in New York. His job was to scalp the daily papers for news and "class-angle" it.

That's what the editors of Canada's radical and Communist papers do. They steal articles from here and there, "class-angle" them and run them in distorted form.

One of these sheets did that last week with The Financial Post's article on Canada's tax exiles in Nassau. It lifted all the facts in the article, twisted them to give them a Communist slant and published them. For example, The Post published a list of Canadians who are winter residents of Nassau but who still pay taxes in Canada. The Communist paper published the list as the names of men who no longer pay any taxes in Canada.

In this case, putting the class-angle in the story meant, first, stealing the facts without credit to their source, and second, deliberately misrepresenting them.

• • •

Most of the opposition to Dominion aid for the distressed Prairie Provinces has come from the Maritimes. Quite recently a well-known Nova Scotia editor toured the West and voiced some very harsh criticism of the "extravagant" West.

It is not a promising thing for national unity when one part of Canada becomes too critical of another part of Canada. The West itself is often very unreasonable in its comments upon the East but it does not right the situation when the East turns on the West.

Every part of Canada has its very serious problems and every part of Canada is displaying courage in seeking to solve those problems.

Travel makes for understanding. It is a splendid thing that Hon. Norman McL. Rogers, a Maritimer, is going to join Hon. James G. Gardiner in a survey of the prairie drought areas. Perhaps the different chambers of commerce in the Maritimes could send a little delegation to the West to have a look at the parched prairies. Then when the westerners have money to travel they could return the compliment by going down to look over the modern grain shipping facilities at Saint John and Halifax.

• • •

The other day we listened to an officer of the Russell Sage Foundation and a professor from McGill University, who expressed very vigorously the view that business and industry on this continent are instruments for the exploitation of workers and the public. The comments were made at a meeting financed by the Carnegie Endowment.

The speakers were obviously of the opinion that large accumulations of wealth are prima facie evidence of unfair dealing with the public.

The curious and somewhat paradoxical feature of the situation is that the particular opportunity afforded to these speakers to air their views would not have been possible if it had not been that three men, Russell Sage, Sir William MacDonald and Andrew Carnegie, accumulated great wealth and left it in trust for educational and social welfare purposes, and thus ensured these reformers of well-paid jobs.

This should be a warning to our wealthy industrialists and business men. Let them give up the search for profits. For when they die they will have to leave their money to someone and they will probably want to leave it to a foundation or institution of learning. When they do so, the money will be used to support young men and women who will spend their time saying that the system that permitted such wealth to be accumulated is prima facie an evil and an anti-social system.

Sayings of the Week

"We must learn to pay no attention to our assailants who emphasize unpleasant things."—*Premier Aberhart.*

• • •

"Whatever its nationality a defensive bayonet has the same unpleasant appearance as an aggressive one."—*A. A. Milne.*

• • •

"The union of theorizer, organizer and leader in one man is the rarest phenomenon on earth. There lies greatness."—*Adolf Hitler.*

• • •

"If you can spend a perfectly useless afternoon in a perfectly useless manner you have learned how to live."—*Dr. Lin Yu-Tang.*

• • •

"The greatest military nations have ultimately been destroyed while the least military ones have survived the longest."—*Roger Babson.*

• • •

"Why should sensible American investors loan money in those countries that have defaulted on their obligations to us?"—*Henry A. Wallace.*

• • •

"Let us give the consuming public a few billions by reducing taxes and see what that will do to enhance buying power."—*Eugene G. Grace.*

• • •

"Increasingly we shall lay stress on the prevention of social failures rather than on treatment after failure." — *J. E. Macpherson, vice-president, Bell Telephone Co.*

• • •

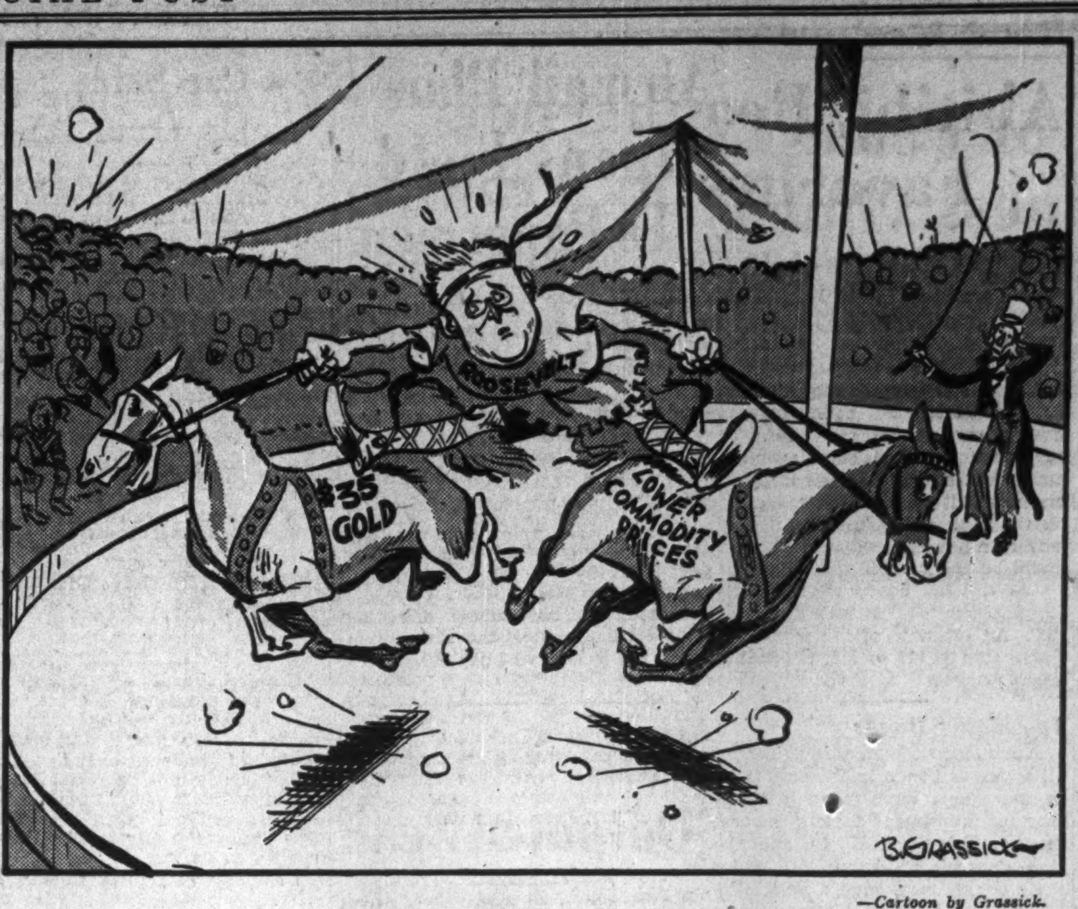
"There can be only one foreign policy for this country — willingness to co-operate with any country, whatever its form of government that is willing to work for peace."—*Anthony Eden.*

• • •

"We must remove the causes of those fears which countries have of one another. If we can succeed in doing that then you will find that armaments will disappear of themselves."—*Rt. Hon. Neville Chamberlain.*

• • •

"The reconstruction of the social order is the problem with which the statesmen of Europe are wrestling today and no part of the world is free from possible repercussions and explosions."—*Rt. Hon. Mackenzie King.*



TRYING TO RIDE TWO HORSES

—Cartoon by Grassick.

The Provinces Need Money

THE PROBLEM OF FEDERAL SUBSIDIES

By NORMAN A. WHITE

Among the matters to which the proposed Royal Commission on Dominion-provincial finance will have to give serious consideration is the question of subsidies by the Dominion Government to the provinces. No doubt proposals will be made by some of the provinces that the present subsidies should be increased.

This will not be the first time that such a proposal has been made. Although the Fathers of Confederation intended that the financial terms of the B.N.A. Act should be final and that the annual subsidies, then decided on, should be paid in "final settlement" of the claims of the provinces, the most telling attacks have been made on the financial clauses of Confederation. Subsidies have been increased from time to time. That part of the constitution which it was intended should be inflexible has in practice, been the most flexible. Peculiarly enough, also, the sections of the B.N.A. Act which deals with subsidies have been altered by the action of the Federal Government alone while other sections are amended only by legislative action of the Parliament of the Mother Country.

Shameful Record

The grounds for adjustment have been manifold. Originally the excuse given for better terms was that of rectifying mistakes. Later the plaintiff provinces demanded better terms in order to place them on equality with their sisters. The difficulty has been that when one "adjustment" was made other provinces then found that they were placed on an inequality basis thereby.

To say the least, the history of political manipulation of the unconditional subsidies has been shameful. Many of the provinces have actually drubbed up grievances from time to time and have put forward claims for which there have been little or no bases. To make matters worse, the Dominion Government has very often granted these claims in order to pay political debts or to win support for the party in power. In this regard, the history of subsidies during the régime of Prime Minister Sir John A. MacDonald makes rather illuminating reading. As one author puts it, "every grievance had its price."

While various grounds have, from time to time, been advanced for granting larger subsidies the underlying and basic reason has been the financial difficulties of the provinces. Almost every province, with the exception of Ontario, which has always enjoyed a fairly high credit rating, has found its revenues insufficient from time to time, and has at once developed grievances for a raid upon the federal treasury.

Precedent in History

The present agitation for revision of the financial terms of Confederation is merely a repetition of history. It is interesting to note, however, that in 1887, only 20 years after the passage of the B.N.A. Act, Hon. Honoré Mercier, premier of Quebec, convened a provincial conference because he thought something should be done to remedy "the inadequacy and injustice of the financial arrangements of Confederation." These words aptly describe today's attitude of the present governments of the four western provinces.

However, the claims of the provinces today cannot be dismissed lightly. Their financial problems are acute and embarrassing.

It might also be pointed out that the present demands of the western provinces arise in part out of better terms previously granted to other provinces, for one of the reasons advanced by them for further aid has been the increased subsidies granted to the Maritime Provinces by the Duncan and White commissions.

Can System be Abolished?

Despite all the abuses and defects which have multiplied with the years, the need for subsidies at the time of Confederation cannot be denied. Neither can it be denied that there is real necessity for finding a solution of the present difficulties of many of the provinces through revision of the financial terms of Confederation. From past experience, however, it does not seem likely that the best solution lies in increasing unconditional subsidies. Canada would, in fact, be well advised to see if it cannot abolish the system of unconditional subsidies entirely.

In this connection, Prof. James A. Maxwell of Clark University, an ex-Canadian, makes a valuable suggestion in his recent book entitled "Federal Subsidies to the Provincial Governments in Canada." The plan is one which the proposed Royal Commission would do well to consider.

Exchange Debt in Subsidies

Prof. Maxwell suggests that the Dominion Government, in return for complete abolition of unconditional subsidies, should offer to lift a substantial portion of the debt of the provinces by capitalizing the subsidies. The annual subsidies to the provinces amount to slightly more than $16.9 millions. If this amount were capitalized at the low rate of 3% then the provinces would be relieved of $566 millions of debt. The amount of debt which would be assumed from the various provinces is shown by Prof. Maxwell as follows:

Provincial Subsidies and Capital Values

	Subsidy	Capitalized at 3%
Prince Ed. Island..	$ 656,900	$21,896,600
Nova Scotia	1,953,000	65,103,300
New Brunswick ...	1,593,000	53,100,000
Quebec	2,592,000	86,400,000
Ontario	2,941,400	98,046,700
Manitoba	1,716,500	57,216,600
Saskatchewan	2,145,000	71,500,000
Alberta	1,771,500	59,049,800
British Columbia ..	1,624,600	54,153,300
Total	16,994,000	566,466,300

Some special arrangement would have to be made in the case of Prince Edward Island because its debt is less than the capital amount shown.

The scheme has much to commend it, especially if the Dominion could arrange for voluntary conversion of high coupon provincial bonds which are assumed into Dominion of Canada bonds bearing a lower rate of interest. It would improve the fiscal position of the provinces without weakening the position of the federal treasury. It should also be remembered that the benefits cannot be entirely measured in financial terms. In addition to strengthening the credit position of the provinces it would remove a cause of discord in federal-provincial relations.

Conditional Subsidies

The demand for the proposed Royal Commission which is to investigate the division of financial responsibilities and taxation as between the provinces and the Dominion Government, arose out of a plethora of provincial functions and a scarcity of provincial revenues.

As a solution of this difficulty numerous proposals will be made to the Royal Commission, the most important of which will perhaps be the widening of the taxation powers of the provinces and the assumption by the Dominion Government of certain expenditures which are now in the provincial field.

Both proposals present difficulties. In the first place, it is hardly likely that a Federal Government which is still faced with an unbalanced budget will want to surrender any of its taxation powers. Neither will it desire further competition from the provinces in any of the taxation fields. Then, again, widening of taxation powers would probably help the richer provinces rather than the poorer ones.

Danger in Centralization?

The assumption by the Dominion Government of the entire cost of such social expenditures as old-age pensions, mothers' allowances and unemployment relief also presents difficulties. Assumption of these expenditures by the Dominion means centralization, and too much centralization is feared by certain groups because Canada is homogeneous neither in race nor in economic development. The most important factor in social legislation is administration. It is possible that administration by federal authorities might be standardized and not flexible enough to meet the variety of provincial needs. A policy satisfactory in several provinces might not be satisfactory to another.

As an alternative to the assumption by the Dominion of all social expenditures, another interesting proposal is made by Prof. Maxwell. Expressing the opinion that readjustment of Dominion-provincial financial relations is possible without amending the B.N.A. Act, he suggests that the Dominion Government should "improve, extend and integrate its system of conditioned subsidies."

The ordinary subsidy (dealt with in the first half of this article) is unconditional and is paid to the province as its right and without any obligation upon the province.

Have Been Freely Used

Conditional subsidies have been utilized by the Dominion Government to promote provincial activities on a number of occasions during the past 25 years. By far the most important conditional subsidy, however, is that of grants to the provinces to assist in paying old-age pensions.

It must be admitted that conditional subsidies have not been entirely successful in the past and have had many defects. The defects, however, have been mainly due to failure on the part of the Dominion Government to formulate administrative principles beforehand and to the lack of supervision or control by the Dominion authorities.

Supervision through inspection and periodical audits would, of course, have to be a feature of any sound programme of conditional subsidies. It would be in the designation of the purpose for which the funds were to be spent and in supervision that it would differ from the present unconditional subsidies. Not only would the Dominion make the grant but it would reach after the money to see that it was properly spent.

Ottawa Must Control Own Money

No doubt some of the provinces, as in the past, would object to such supervision on the grounds that it was an invasion of provincial autonomy. Quebec, for instance, recently objected to legislation passed by the Dominion Government authorizing it to make certain audits of provincial books in regard to unemployment relief loans. It would be necessary to make supervision a statutory requirement and to prohibit loans to those provinces which refused the Dominion the right to exercise supervision. If a province is willing to allow the Dominion to assume a large part of the expenditure which is properly provincial then it should be willing to accept Dominion supervision. It can be safely ventured that those provinces which require fiscal assistance could not afford to resist Dominion supervision and that public opinion would soon force all provinces to accede.

B.N.A.A. Revision Still Needed

There is much to be said for Mr. Maxwell's proposal. It would make possible local and provincial administration combined with Dominion supervision in the national interest. Furthermore, if wisely applied, conditional subsidies could be used to lift financial burden from the shoulders of the provinces. At the same time the Dominion Government would stay within its constitutional rights and the provinces would not be deprived of any functions they cared to retain.

This does not suggest that a revision of the B.N.A. Act would not still be necessary. It appears, however, that it would provide more flexibility in the performance of Government functions and an immediate solution for federal-provincial maladjustments as they arise from time to time.

Other People's Views . . . .

Maine and the C.I.O.

Saint John Telegraph-Journal

Summing up the results of strikes in Lewiston and Auburn, Maine, which lasted 15 weeks, The Portland Press Herald says it is estimated that upward of a million dollars in wages was lost. The cost to the C.I.O. which precipitated the strikes in 19 factories was $100,000 and it cost the state $20,000 for national guard protection. Seven of the factories were closed indefinitely and two may not reopen, and all that the C.I.O. gained was the right to hold elections to determine whether the majority of the workers desire to have the C.I.O. to speak for them.

The local union had been recognized in seven factories and in three had signed agreements. Before the strike all the factories are said to have been running to capacity. The money lost by the strike cannot be regained and if some factories remain closed there will be men without work.

Has the strike engineered by the C.I.O. really benefitted the workers? The Portland newspaper does not entertain that view. It thinks Maine could get along very well without the C.I.O.

Who is Squealing Now?

People's Weekly, Edmonton

"Gentlemen I tell you we've got them squealing, yes, we've got them on the run." So Mr. Holden, M.L.A. is reported to have spoken in Busby last summer in connection with bankers and big shots. This speech was received with shouts, handclappings and fervent amens. Now for the sequel to that squealing.

Mr. Holden, M.L.A. is the reeve of a municipality. The council of that district has just sent the following notice to the taxpayers:

MUNICIPAL DISTRICT OF
HAZELWOOD, No. 579

"If you read the last Financial Statement, you will notice that your District is running behind with its financial obligations. Turn to the Municipal Liabilities on your statement, and you will see that they amount to $39,099.40. Under the heading of Schools, we owe the bank $4,800, and unpaid requisitions are $6,789.29.

"We have reached a point where we must have money to carry on and we are appealing to you to do your share in meeting our bills.

"This is your Municipal District, and we know you want the other Municipalities to do as they did in the past, look on us as one of the best in the province.

"If you owe part of these arrears:
Municipal, $58,886.10
School, $48,597.20
and do not pay your share, I am sorry to say that this Council will have to make collections by other methods.
"PAY NOW."

GEORGE R. SMITH,
Secretary-Treasurer,
Hazelwood M.D., No. 579.
June 19, 1937.

Now we might properly ask Mr. Holden whom he is making squeal now? Are these urgent collections likely to make the bankers and big shots squeal? We do not think so. What do you think?

Provincial Interest Burdens

Vancouver Province

The provinces like to imply that they are the injured parties in the division of Canada's revenues. But the provinces would not need such large revenues if they did not pay such high interest, and they might be enjoying lower interest rates on Dominion credit if they were not so unreasonably jealous of their financial autonomy.

Stop Me If You've Heard This One . .

It was during the impaneling of a jury that the following colloquy occurred:

"You are a property owner?"

"Yes your honor."

"Married or single?"

"I have been married for five years, your honor."

"Have you formed or expressed an opinion?"

"Not for five years, your honor."

In the Mail. . . .

Canadian Apples in Britain

Editor, The Financial Post:

Wandering about Covent Garden yesterday I picked two men in different large fruit distributing places, both of whom were men who looked as if they would know what they were talking and thinking about. I asked how they liked the packing of our Canadian apples in the past few years. Their replies were similar, namely, "Boxes O.K. Barrels year before last O.K., but last year disappointing. We do not understand how you people over there can be so careless about what you put in the barrels one year, and so careful another."

I have no interest in the matter beyond that of an emissary for Canada where possible.

CANADIAN VISITOR,
London, England.

Canada's Tax Exiles

Editor, The Financial Post:

Shame upon you, Financial Post, trying to arouse sympathy for poor Harry Oakes because he had only a couple of million a year to live on after paying his taxes to Canada!

Who is to pay the costs of government if our wealthy men do not contribute? If the millionaires are not paying, then the man on the street will have to pay that much more and Heaven knows he cannot afford it.

BROKER.
Toronto.

Editor's Note: The Financial Post does not feel sorry for Harry Oakes or any other wealthy man forced out of Canada by onerous taxation. It seeks to arouse no sympathy for anyone except the citizens of Canada who have lost: 1. the taxes he used to pay here; 2. his benefactions for the people; and 3. the benefit of his spending. The taxes of the man on the street are higher today because Harry Oakes has gone and taken his tax money with him.

The purpose of last week's article was to give certain facts. It was a news article, pure and simple. But those facts and the news they illustrate underscore a simple law that applies in taxation as in most other phases of life: the law of diminishing returns.

Charms of Jamaica

Editor, The Financial Post:

As a stranger within your gates may I be permitted to bring to the notice of Canadians another island more beautiful and with far greater advantages than Nassau. I speak of the Island of Jamaica ....

REGINALD SEATON,
Retired Government Official of Jamaica.
Leaside.

Editor's Note: The facts about Jamaica supplied by loyal enthusiast Seaton will be turned over to the travel editor, who may use them later. What The Post said about Nassau was intended as no boost for that island; the picture painted was merely incidental to the telling of the story of some of Canada's leading tax exiles.

As Others See Us . . . .

"Unofficial Scrutineer"

Timmins Press

The Financial Post, which admirably fills the position of Canada's unofficial financial scrutineer, carries on its front page this week a chart shows seven centuries of gold prices. Accompanying the chart is an able article by C. W. Stollery.

Not Much Help

Brantford Expositor

As has been pointed out repeatedly, Canada is greatly over-railroaded, with the result that railway deficits are an economic millstone around the country's neck. Yet while the gravity of this situation has been drawn to everyone's attention time and again by railway experts, economists and even politicians, any decisive or comprehensive remedial action has yet to be undertaken.

The Financial Post, in a recent issue, remarks that nearly four years have passed since the Duff Commission made its report. Therein it was advised that one of the contributory causes to the railway dilemma was the construction and operation of unprofitable lines. Since that time, it is pointed out, the Canadian National and the Canadian Pacific Railways have applied to the Board of Railway Commissioners for permission to abandon 730.3 miles of track. That this total is a mere fraction is pointed out by The Post, which observes that it represents less than 2% of the total trackage in use at the end of 1936. The Post's analysis of the situation shows that of the applications made to the Railway Board 306 were refused, 349 3/10 were granted, 37 are pending and 38 have been withdrawn. It is also revealed that of the applications by far the heavier share is credited to the C.N.R.

In the first place, as will be seen from the foregoing information, the total of applications is scarcely significant by comparison with existing 38,000 miles of railway in operation, and, when it is further considered that the Board has refused nearly as many applications as it has granted, this scheme does not promise much by way of alleviation of the existing terrific burden.

Week in Business

Stabilization of Prices Good Business Omen

Aside from Textile Strikes, Outlook Points to Steady Supplies of Raw Materials — Cooling Goods Sell Well

Very considerable stabilization of most commodity prices augurs well for satisfactory autumn and winter business. Most raw materials are lower now than last spring and recent price changes have been insignificant. With a few exceptions supplies are more ample than for several months. This situation should permit manufacturers to plan production schedules and book fall and winter orders with little likelihood of upsetting revisions later. It is in striking contrast to the picture of three months ago when many price lists carried the following notice:

"Due to unsettled market conditions prices subject to change without notice."

The only fly in the ointment of commodities or raw material supply is provided by recent strikes in the textile field. Aside from the direct interest to the earnings of the companies and workers concerned and purchasing power in the areas affected, there is a much wider significance to Canadian business generally. If present tie-ups continue indefinitely or spread more widely, supply of raw materials to clothing industries will undoubtedly be interrupted. Higher prices, too, would be inevitable and might easily check expansion in future retail buying.

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The next few weeks will decide whether the Cornwall and other strikes mark the beginning of general labor troubles in the textile field or merely a continuance of more or less routine spasmodic readjustments.

In the meantime, with larger inventories both in primary plants themselves and straight through secondary manufacturing to wholesalers and retailers, there is probably no immediate cause for worry. Productive capacity in the textile industry is capable of quickly overtaking any normal demand and, once strikes are settled, business could quickly resume routine proportions.

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Canadian business is more than a passive spectator of the present fight for higher railway wages in the United States. It is now no secret that last winter's successful campaign for restored pay cuts by Canadian railway workers was partly inspired by American railway union officials. Before the present U. S. drive could be started it was necessary to bring wages of Canadian union workers up to the pre-depression level, as had already been done across the line. That done or promised in Canada, they were prepared for the new fight.

At least a partially successful termination from labor's standpoint is predicted by Business Week. If this is the case it is to be expected that similar pressure for still higher railway wages may be expected in Canada, which may in turn be followed by higher freight rates.

Railway earnings in the United States as in Canada have been sharply improving, but unlike Canada they are expected to gain still further this fall. Here the serious crop failure which has reduced wheat yield alone by probably 200 million bushels will react most unfavorably on rail revenue. Across the line on the other hand there is no grain failure but much the best crops in the last five years and other business in the main is prosperous.

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While air-conditioning has lacked the publicity of a prolonged heat wave as was experienced in Canada a year ago, there has been sufficient hot weather to stimulate sales of such apparatus to highly competitive, crowd-attracting establishments like movies, retail stores, and restaurants. Other lines particularly boosted this month in Canada have been electric fans, refrigerators of both the new ice and iceless types, cool gas and electric ranges, ventilating fans for both attic and kitchen, summer frocks and light-weight suits for men, white shoes and, of course, ice cream, beverages and salad materials.

Business Indicators

Automobile figures for the first half of the current year show substantial gains over what was considered a very good first six months in 1936. In June and cumulative statistics for the year, factory output and financing of new and old cars are all much higher.

Railroad gross earnings of both lines and carloadings continue to register gains over corresponding period last year, though percentage of improvement beginning to taper somewhat.

Electric power output, regarded as one of most reliable business barometers, continues in June gain that has been going on steadily for almost five years.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked*.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (July 17)	*49,858	47,912	1,336,886	1,216,910
C.N.R. gr. earn., wk. (July 21)	$ *3,704,363	$ 3,391,106	$ 106,078,859	$ 100,577,927
C.P.R. gr. earn., wk. (July 21)	$ *2,868,000	$ 2,461,000	$ 74,735,000	$ 69,736,000
C.P.R. net revenue (May)	$ 1,874,219	$ 1,450,269	$ 7,068,042	$ 5,618,450
C.N.R. net revenue (May)	$ 1,066,250	$ 933,551	$ 6,232,760	$ 2,465,596
Business Conditions—				
Weekly index D.B.S. (July 17)	*111.0	109.6	......	......
Financial Post index (June)	122.6	110.5	......	......
Iron and Steel (June)—				
Pig iron production (tons)	78,278	56,362	423,942	340,335
Steel ingots and castings prod. (tons)	118,744	82,196	713,177	578,700
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (May)	17,199	15,930	63,970	51,658
Factory output (June)	*17,919	13,136	97,563	86,364
Trucks and Buses:				
Domestic sales* (May)	4,332	3,297	14,837	10,999
Factory output (June)	*5,922	3,274	31,008	19,584
Exports (June)	*6,909	4,449	34,487	32,253
Financing (June):				
Used	$ *4,646,721	$ 3,467,778	$ 19,106,344	$ 13,793,047
New	$ *5,713,318	$ 3,960,528	$ 23,605,764	$ 17,556,909
Construction—				
Cons. Contracts (June)	$ 30,368,600	$ 20,803,400	$ 110,375,800	$ 77,708,500
Production (Apr.)—				
Cement, bbls.	371,839	292,538	780,029	631,781
Gypsum, tons	65,706	40,007	102,360	53,100
Clay	$ 289,272	$ 226,722	$ 730,664	$ 600,675
Agriculture—				
Flour, prod., bbls. (May)	900,288	1,106,339	5,058,720	5,378,540
Flour exp. bbls. (June)	368,905	430,171	2,076,707	2,291,171
Wheat exp. bus. (June)	12,180,068	25,763,565	43,724,035	94,307,586
Cattle sales (May)	54,204	64,423	295,522	329,015
Hog sales (May)	79,135	73,491	436,876	379,303
Newsprint (tons)—				
Production (June)	310,871	270,061	1,782,761	1,489,263
Exports, tons (June)	306,645	263,586	1,631,582	1,300,294
Mining—				
Coal prod., tons (May)	1,075,605	996,447	5,930,386	5,647,760
Coal imports, tons (May)	*1,702,526	1,361,596	4,302,066	3,342,524
Gold prod., fine oz. (May)	*340,125	306,402	1,628,356	1,450,830
Nickel prod., lb. (Apr.)	20,266,884	11,018,947	71,964,212	56,869,480
Copper prod., lb. (Apr.)	41,969,288	35,491,616	159,402,890	130,171,906
Employment D.B.S. Index (June 1)—				
All industries	114.3	102.0	......	......
Manufacturing	117.9	108.4	......	......
Electric Power Output (June):				
Total monthly m.k.h.†	*2,253,477	2,028,980	13,754,271	12,442,066
Trade—				
Retail trade (index no. of sales) (May)	75.9	72.2	......	......
Imports (May)	$ 76,707,454	$ 59,120,640	$ 305,147,005	$ 336,206,611
Exports (June)	$ 106,857,343	$ 79,942,336	$ 525,807,475	$ 424,545,951
Other Industrial Factors—				
Dressed lumber, exp: M. bd. ft. (June)	182,191	169,550	862,634	724,048
Boot & shoe prod., pr. (May)	2,230,211	1,795,515	10,257,140	9,330,902
Crude petrol., imp. gal. (May)	132,744,682	103,517,363	346,594,657	323,629,723
Cotton imports, lb. (May)	15,326,882	9,859,401	66,726,359	62,204,083
Raw rubber imp., lb. (May)	9,379,396	4,974,372	24,748,769	19,637,197
Cigarette cons. (June) No.†	*626,742	506,106	3,065,659	2,472,515
Sugar (lb.)—				
Melting & ship.‡ (raw)	*65,871,027	96,053,265	285,184,917	303,134,553
Manufactured‡	*65,774,505	92,455,481	275,509,721	292,356,286
Finance—				
Bank debits (June)†	$ 2,881,917	$ 3,135,569	$ 18,186,008	$ 17,246,852
Bond sales (June)	$ 103,300,184	$ 187,787,200	$ 696,883,890	$ 754,241,487
Life insurance (June)	$ 37,656,000	$ 31,247,000	$ 192,736,000	$ 181,267,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to June 19.

Airmail Plan Opens Field To Papermen

Canadian Firms Already Offering Light Weight Product

DEMAND IS FAIR

Development of air mail services from Canada to other parts of the world and, within a year or two, of interurban schedules in Canada itself, has opened up a new field of business for Canadian producers and distributors of high-grade papers.

Already in this country there is a nucleus of a demand of special lightweight papers suitable for sending as much material as possible by air mail within the weight limitations set by the extra postage rates. Volume of business in this regard is expected to be considerably expanded with the inauguration of air service across the Atlantic, between Canadian urban centres and across the American border.

Some firms with extensive foreign business relations keep down the weight of letters and documents sent air mail by adapting lightweight carbon copy paper to their purposes. Stationery stores and printing firms report that they have developed business by supplying specially selected and printed copying paper, and other light papers, for air mail letterheads and document purposes.

Two Companies in Field

At least two paper companies, however, are producing light papers specially processed and produced specifically for air mail use. For the past few months, Howard Smith Paper Mills Ltd. have been putting out a lightweight "air mail bond" type of paper.

The company claims to have developed the paper to a point permitting eight sheets with envelope to be sent at the half-ounce air mail rate.

Within the past two weeks, Rolland Paper Co. has brought out a special air mail paper under the selling name of "Skyway Bond." Both sheets and envelopes are of specially processed lightweight, non-watermarked paper, and tests have determined that four quarto-size sheets with envelope can come within the half-ounce basic rate limit for long distance air mail.

Fair Demand

However, strength and lightness appear to be the important factors rather than opacity. The Rolland firm reports a fair initial demand for the special paper, particularly in Vancouver, where Canadian Airways provides connection with American lines and China Clipper service.

Advantage of using light papers is indicated by air mail rates from Canada to foreign points. These are: to United States points, six cents an ounce or fraction of an ounce; to South and Central America 25 cents per half-ounce; to China, 25 cents per half-ounce by way of England, 90 cents per half-ounce via China Clipper from California. The rates for air mail to England and Europe by the projected trans-atlantic air service have not yet been set, but the letter rate will likely be about six cents an ounce.

New Car Sales Up Over 25%

New car sales in eastern Canada for the first half of the current year gained more than 25% over the same period in 1936. Early recession due to strike troubles and slackening of demand was more than offset by a sharp increase in June. Total for that month was up close to 14,000 units or the best for this month since 1930. Much more than half both June and cumulative totals was in Ontario.

Details of new car registrations by provinces and by leading models, according to the current survey by Canadian Automotive Trade are as follows:

New Car Registrations (In Eastern Canada)

	June 1937	June 1936	Six Months 1937	Six Months 1936
Ontario	8,497	5,243	36,917	28,717
Quebec	3,534	2,318	16,594	12,752
N. Brunswick	954	516	2,449	2,032
Nova Scotia	706	338	3,855	3,021
P. E. I.	128	87	590	307
	13,819	8,502	60,405	46,829

New Passenger Car Registrations (In Eastern Canada) Leading Models

	June 1937	June 1936	Year to Date 1937	Year to Date 1936
Chevrolet	2,799	2,298	11,651	12,146
Ford	2,416	1,689	12,010	10,202
Dodge	2,095	1,009	8,839	5,483
Plymouth	1,861	1,032	7,644	5,326
Pontiac	756	311	3,532	1,593
Oldsmobile	703	471	3,197	2,875
McL.-Buick	538	287	2,244	1,893
Chrysler	523	307	2,200	1,666
Terraplane	439	235	1,617	1,329
Lafayette	330	46	1,304	237
	12,460	7,665	54,238	42,750

Background of Business

Sales Tax Exemptions

The much vexed question as to what manufacturing materials are exempt from sales tax has been cleared up in the recent ruling of the Tariff Board at Ottawa. Only "the materials consumed in the process of manufacturing" are exempt. Such articles must be of a type that are "wasted or worn in direct physical contact with the type of goods being manufactured." This apparently does not mean that plant equipment is included in such articles since tools and dies are fully changed in current accounting practices.

It would mean, however, that wastage of metal or other products used in manufacture would be exempt.

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Canadian Chains in U. K.

Outlook for Canadian chain store expansion in Great Britain is more favorable than in certain Canadian provinces, Walter C. Zeller, president of Zellers Ltd., Montreal, states in a letter to Stylewear Review. Next month, Zellers Ltd. is opening a chain of 12 units in England and Scotland. While Mr. Zeller claims that denseness of population in the Old Country and an increasing demand for style and fashion merchandise at popular prices were outstanding factors in his decision, it is also apparent from his letter that the present campaign in Quebec against chains is also a consideration. He states:

"The trend of legislative bodies in England is more inclined to give first consideration to the interests of the majority of consumers than to be easily swayed by the propaganda of organized minorities. For this reason, we feel that the multiple store method of retailing in England is not as vulnerable to unfair taxation as indicated by the present trend of legislation in some Canadian provinces."

• • •

Drug Competition

To those people who have long regarded the modern drug store as a place where "you can buy everything including drugs" it may come as a shock to learn that several leading British Columbia druggists have threatened to withdraw from the Retail Merchants Association because of the gradual invasion of their field by other merchants.

"One of the big problems of pharmacy today is the gradual invasion into the field of medicine, toiletry and insecticides by other merchants," one druggist told Drug Merchandising, "yet if any steps are taken to a drug section of the Retail Merchants Association to have these things, which rightfully belong to the drug store, brought back there, the druggist finds himself treading on the toes of some other member of the R. M. A."

As a remedy B. C. druggists suggest forming their own association entirely outside the regular Retail Merchants Association.

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Sell More to U. S.

Canadian exports to United States for the first half of the current year registered an increase of almost 40 per cent over the same period in 1936. Value was $230.7 millions as against $166.8. June exports alone amounted to $45.7 millions compared with $26.5 for the same month last year.

For the first six months exports of goods affected by the Canada-United States trade agreement mounted to $120.2 millions against $98.5 in 1936, an increase of 22 per cent.

Newsprint was the leading export under the agreement in the six months, amounting to $45.5 millions compared with $38.5 a year ago. Woodpulp increased to $16.9 from $12.4 millions.

Bankruptcies

The Canada Gazette announces meeting of creditors in the matter of:

Hutchinson Novelty Works, Ltd., Victoria.
Lundy's Shoe Shop, Winnipeg.
Stones, S. H., Hamilton.
Nu-Way Auto Parts Ltd., Montreal.
Mack Fruits Inc., Montreal.
Castonguay, E., Lachine, P.Q.
Desmarais, Dame R., Montreal.
Deslauriers, J. C. G., Montreal.
Welch, A. J., Quebec.
Turcotte & Boutin Enrg., Quebec.
Cote Ltee., Jos., Quebec.
Diotte, J., Montreal.
Courchesne, J., Montreal.

New Stock Listed

MONTREAL.—Canada Steamship Lines' new preferred and common shares have been approved for listing on the Montreal Stock Exchange on a "when, as and if issued" basis. The listing covers 229,250 5% preference shares of $50 par value and 300,000 common shares of no par value.

EVIDENT CHARACTER

In

Gentlemen's Clothes

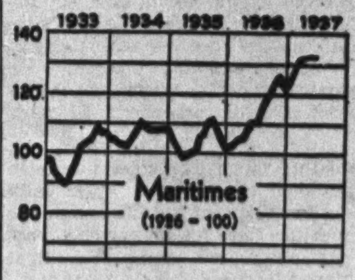
Clothes that interpret our new ideas of styling are well represented at the season's important social and sport events. Their correct and individual character is immediately apparent.

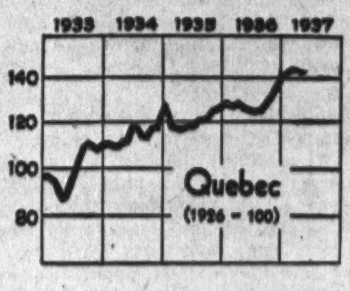
See the complete selection at—

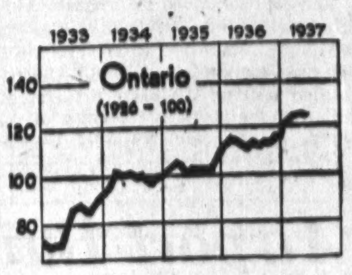
Levy Bros.

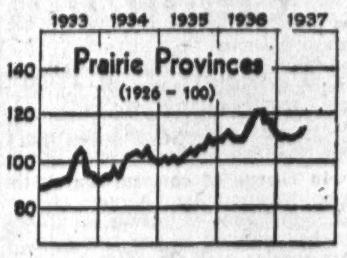
69 West King Street, Toronto

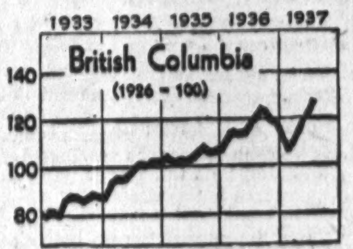
Canadian Business Level Highest in Seven Years











Trend of Business

	June 1937	Change from June 1936
Maritimes:		
Construction contracts $	1,676,000	—71.6
Building permits $	251,000	+2.4
Life insur. sales $ 000	2,657	+28.7
Bank debits $ 000,000	58.9	—4.4
Electric pwr. kw.h. 000	77,919	+8.9
Employment 1926 = 100	135.8	+31.6
Tonnage of vessels cleared	353,381	—4.8
Exports $	6,268,341	+16.0
Index	133.0	+15.5
Quebec:		
Construction contracts $	8,093,000	+131.0
Building permits $	1,301,000	+19.0
Life insur. sales $ 000	11,129	+23.7
Bank debits $ 000,000	883	—4.1
Electric pwr. kw.h. 000	980,302	+11.0
Employment 1926 = 100	118.0	+16.1
Newsprint produc., tons	310,871	+15.1
Index	142.4	+11.6
Ontario:		
Construction contracts $	17,140,000	+91.5
Building permits $	2,809,000	+18.6
Life insur. sales $ 000	15,958	+16.4
Bank debits $ 000,000	1,381	—3.0
Electric pwr. kw.h. 000	736,183	+14.1
Employment 1926 = 100	122.2	+15.1
Livestock slaughterings 1926 = 100	152.1	+7.9
Steel production tons	118,744	+44.5
Auto. production No.	23,841	+45.4
Index	126.2	+12.6
Prairie Provinces:		
Construction contracts $	2,114,000	+19.3
Building permits $	701,000	+54.7
Life insur. sales $ 000	4,579	+14.1
Bank debits $ 000,000	393	—30.1
Electric pwr. kw.h. 000	147,517	+14.3
Employment 1926 = 100	104.0	+2.1
Wheat receipts bush	3,577,000	—39.1
Wheat prices *	124/1	+56.1
Index	114.7	+2.4
British Columbia:		
Construction contracts $	1,346,000	+97.9
Building permits $	952,000	+91.5
Life insur. sales $ 000	2,993	+32.2
Bank debits $ 000,000	175.7	+4.5
Electric pwr. kw.h. 000	152,707	+8.7
Employment 1926 = 100	117.1	+11.7
Exports $	13,054,541	+7.2
Index	126.5	+10.0

*Cents and eighths of a cent per bushel.

Canadian business closed the second quarter of the current year with activity generally at the best levels since the 1929-30 era. There were some minor and expected recessions in June in eastern and western Canada but not enough to offset the already considerable gain over the first half of 1936. Significant gains were made in employment, construction and electric output. With the exception of the Prairie Provinces, where poor wheat prospects have materially affected the situation, business outlook elsewhere is regarded as favorable.

Changing Conditions

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ENGINEERS

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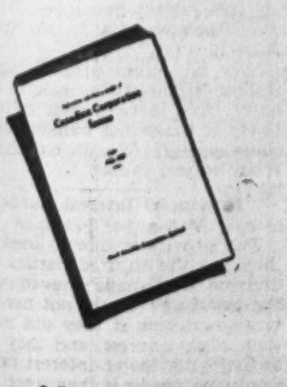
A Booklet About Bonds



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Construction

Apartment Building Double 1936 Volume

Total for 1936 Already Exceeded by Contract Awards of $4 Millions in First Half of 1937

History of apartment building in Canada has always been one of violent ups and downs. Booms and contractions in this sort of construction have been even more pronounced than in urban residential building.

After a period of unusual slackness expansion is again proceeding rapidly. In every large city from Halifax to Vancouver, apartments varying in size from three and four suites to 50 or more have risen within the last 18 months, and there is no indication anywhere yet of any slowing down. Pace of the programme has raised the question: Is the present expansion sound financially and from the standpoint of supply and demand?

Before the average realty company will put funds into a large office building the local situation must measure up in two particulars. Existing office space should be over 90% occupied and rents should be at a profitable level, sufficient to meet taxes, maintenance, depreciation and interest on the original investment. It is more difficult to determine whether such conditions prevail in the Canadian apartment field at the present time.

Demand Up Sharply

From the standpoint of supply and demand undoubtedly there is a shortage of modern apartment space just as there is a shortage of housing generally. During the depression many families were forced to crowd into quarters far too small. Many marriages were deferred.

Now with returning prosperity these people are prepared to move out of tiny flats, and homes of "in-laws" or are ready to marry and set up their own establishments. Some of them, a great many, have not yet sufficient funds or sufficient confidence in future financial stability to invest in a house of their own but they are fully prepared to take a lease on a good apartment.

But because there was practically no apartment building from 1931 to 1935 modern space is by no means unlimited, demand has outgrown supply and rents have been rising steadily for almost three years.

Young people of the type who have been getting married recently, too, have heard much of air-conditioning, concealed heating, modernistic decoration, insulation, and automatic kitchen equipment. To them, anything constructed much before 1937 is almost obsolete.

Potential Profits

As housing conditions are much less standard than those pertaining to offices, the same yardstick of profits can hardly be applied. It is true there are some offices not as modern as others. But there is much less difference between the great bulk of places where men add up figures, or plan selling campaigns than in the homes where they are supposed to relax.

Thousands of men who would not work five minutes in an old-fashioned office are eager buyers of houses erected a century ago. The same people demand working quarters in the centre of the financial or wholesale district but their homes may be beyond the suburbs.

Apartment conditions are more standard than homes, of course, but even they do not become obsolete as quickly as offices.

Allowing for these variations it is probable that existing apartment space is approaching a profitable level or about as profitable as may be expected. Many of the buildings erected in the last boom are not paying anything like full interest on the original investment but it is increasingly doubtful if they ever will. They represent expansion on the tail-end of the boom, when costs were excessive and average income was at an abnormally high level.

Private Financing

That the present expansion has not reached this stage yet is definitely indicated by the fact that practically all current apartment building is being financed privately. As yet there has been no general floating of bonds and preferred stock. Nor is there likely to be until investors in the last boom forget or by some unusual development—inflation or war—full returns are restored.

This hang-over from the last apartment boom is undoubtedly acting as a brake—and a desirable one—on the present development, which has already reached the most advanced stage in six years.

Extent of the expansion is reflected in construction statistics. Last year, when apartment house building contracts were awarded to a total of $3.9 millions, according to MacLean Building Reports, the peak was reached for any year since the same authority reported $16.2 millions in 1931. That was the year in which apartment house building terminated its pre-depression expansion, to slump 90.5% in 1932 to a meagre $1.5 million in new contract awards.

But if apartment building set a new post-depression peak at $3.9 millions last year, it was only an indication of what was to follow, for in the first half of this year new apartment construction has soared to $4 millions, or more than the volume for the whole of 1936.

New Buildings Planned

At the moment, the boom in new apartment buildings is most evident in Ontario and Quebec, although the increase extends to all provinces where larger urban centres are located. This year not a single month has passed in which new contract awards for apartments have not exceeded $500,000, while in 1936 only March and August reached totals of that amount or over.

Compared with totals of the pre-depression period, and assuming a growing public demand for apartment accommodation in preference to the more fixed financial responsibilities of a home in urban centres, the present volume of apartment construction is not unduly large.

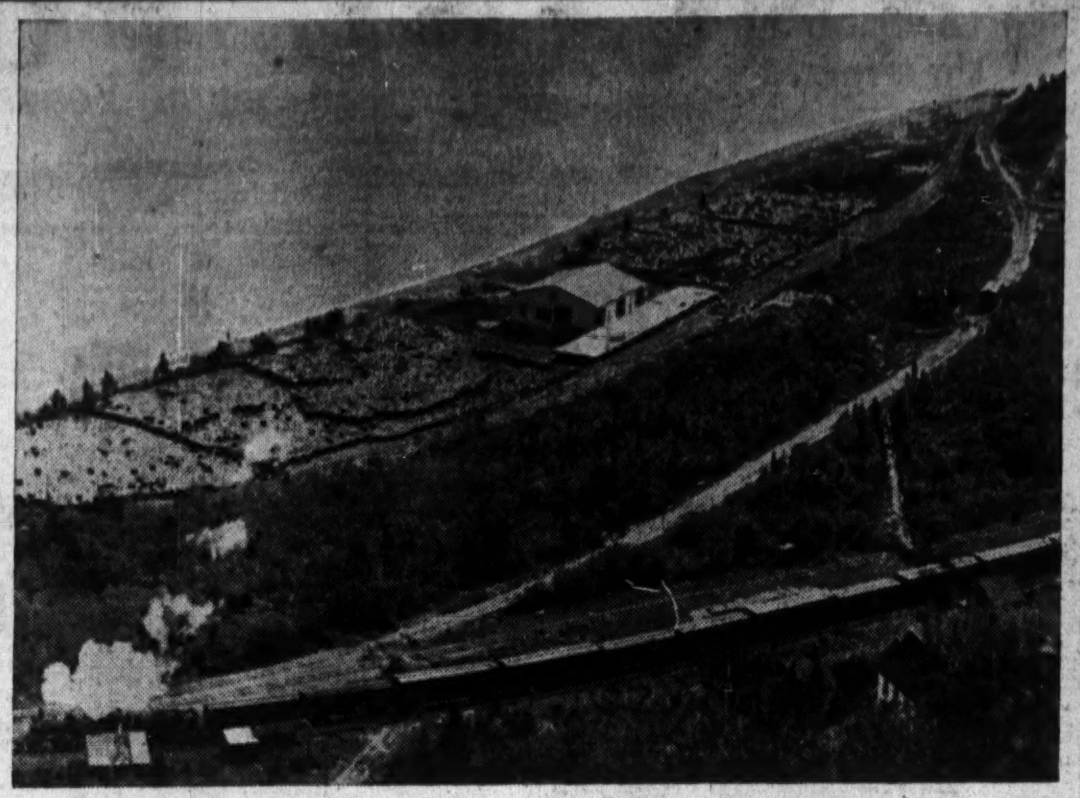
But in comparison with apartments already built this year, the cumulative total of contemplated apartment structures in Canada since January is more than double the actual volume of contracts award for the first half year. Against $4 millions in new apartment awards the estimate of contemplated construction is $8.8 millions, not including "contemplated" structures to be announced later in the year.

Apartment building contracts awarded this year to date with comparative figures for 1936, are as follows:

Apartment Construction

	1936		1937	
	Contracts	Contemplated	Contracts	Contemplated
	$	$	$	$
January	154,000	190,000	520,500	1,749,200
February	28,500	212,000	649,500	1,786,000
March	530,200	1,319,000	556,800	3,253,300
April	339,500	1,032,800	689,300	825,800
May	264,000	622,000	865,500	707,000
June	317,800	774,300	797,300	487,300
July	324,000	588,500	......	......
August	527,700	593,700	......	......
September	365,600	558,500	......	......
October	490,000	1,027,500	......	......
November	409,000	735,500	......	......
December	170,800	858,000	......	......
	3,921,100	8,611,800	4,078,900	*8,806,600

*Six months.



RUNWAYS IN THE RAW

The expanse of peculiar looking substance near the shore in this photo, suggesting pavements cracked by an earthquake, is 30,000 drums of asphalt. They are waiting to be transported to the site, 80 miles inland, of the Newfoundland Airport which will be the eastern terminal of a transatlantic air service using land 'planes. The building in the centre marks the start of construction of a factory for Colas Roads Ltd. of Toronto, Shell Oil affiliate, which is supplying not only the asphalt for the airport runways but has lent one of its engineers, T. B. Woodyatt of Toronto, as engineer in charge of the airport construction.

Construction World

Temporary Tolls

To be known as the "Blue Water" bridge, the newest international link betwen Canada and the United States, near Sarnia, Ont., will be completed next year and for a time will be a toll bridge, later to become free to travellers after a $1.9 million bond issue is retired.

Since the approaches on both the U. S. and Canadian sides were donated without cost by the Michigan and Ontario governments, only the central span must be paid for by tolls and present plans call for an issue of revenue bonds amounting to $1.9 million for that purpose. Tolls of 50 cents per car and driver, plus 10 cents for each additional passenger will be collected until the revenue bonds can be retired. The use of the bridge will then be free and its ownership vested equally between the Michigan and Ontario governments which will maintain the structure jointly. The bridge is an important link between eastern Canada and the middle west of the U. S., on a direct route between the two areas. It will replace an existing ferry service.

• • •

First Mortgage Money

Interest rates on first mortgage loans hold the key to home building and wide fluctuations or uncertainty in the rate can retard new home building more than any other single factor, real estate observers have discovered.

In Canada, a general rate of 5½% exists for first mortgage loans on new houses in the price field from $5,000 to $7,000 but few Canadians realize that this rate represents a decided advantage to the borrower compared with interest rates for similar loans in the United States.

The most common rate across the border is 6%, it was disclosed in a survey made by the National Association of Real Estate Boards and based on confidential data from 245 cities. That rate was common to 59% of the cities and had been maintained during the depression years, although in the case of 13.5% of the cities covered no figure as low as 6% was reported. Rates were found to range chiefly from 6% to as high as 8%, though at the other end of the scale rates as low as 4½% were disclosed in 2% of the cities reporting. Less than half, or 43% of the cities covered by the survey reported an interest rate of less than 6%, similar to those prevailing in Canada where, although 5½% is general, first mortgages are not uncommon at a rate of 5%.

Air Interests Survey Edmonton-Alaska Route

A concrete step toward developing the mooted air route to Alaska and eventually to Asia by way of Edmonton and the Yukon, was taken when a group of United States government air officials and officers of air lines visited Edmonton.

The party investigated the possible establishment of an air mail service through Edmonton to Alaska. Plans have been under study for some time past for connection of the Edmonton-Whitehorse line southward to Lethbridge, to tie in with American and trans-Canada services, and for eventual extension of the Yukon route into Alaska. Tentative negotiations are already under way between governments and air companies of the United States and Canada.

Airport Building Puts Canadian in Spotlight

T. B. Woodyatt, of Toronto, in Charge of Newfoundland Construction, Recognized Elsewhere as Expert Though Little Known Here

In charge of construction of the huge Newfoundland Airport, eastern base for wheeled 'planes eventually to be operated in the transatlantic air service, is a Canadian virtually unknown even to airmen in his home city of Toronto.

Recent news despatches about the transatlantic service and the airport construction all failed to identify him beyond giving his name and mentioning he was "of Toronto." He is better known outside Canada than on his native heath, for aviation officials of Newfoundland and Great Britain think highly of him.

His name is T. B. Woodyatt, and he is engineer-sales adviser on the staff of Colas Roads Ltd., Toronto, affiliate unit in the worldwide ramifications of Shell Oil. The road firm produces asphalt which has been put through a process of emulsification to permit it to be laid without heat application.

A native of Brantford and graduate of Trinity College School in Port Hope, Ont., Mr. Woodyatt was for some time on the staffs of the Dufferin Construction Co. and Raynor Construction Co., and functioned in sales, engineering and supervisory capacities in the building of roads throughout Ontario. Of generous proportions and genial disposition, there is little he does not know about the laying out and construction of roads. There is little essential difference between a modern highway and the physical aspects of airport runways.

Borrowed by Government

It was more or less by chance, however, that this qualification led to him being drafted as resident engineer in charge of construction at the Newfoundland Airport. In recent years, Colas Roads Ltd. has been pressing into the aviation field and specializing in supply of paving material for airport runways, in addition to its highway material business. Mr. Woodyatt had been sent to Newfoundland as sales adviser and engineering consultant in connection with the contract for supply of the two million gallons of asphalt for the runways.

When the general superintendent of the airport job fell ill, Mr. Woodyatt was drafted by officials of the Newfoundland Government and the British air ministry to take charge, and was "borrowed" from his firm for the task.

Contrary to a report in a Toronto paper, Mr. Woodyatt has not "built the biggest airports in the world." For one thing, Mr. Woodyatt is a paving and road expert, not on airport layout, and the only airports in Canada with modern paved runways are those at Vancouver and St. Hubert, near Montreal. He supervised construction of the Petawawa air base for the Dominion Government and assisted in the construction of the St. Hubert airport, but beyond that had had no experience to speak of in airport construction before being retained for the Newfoundland job.

Nevertheless, Commander Paton of the British air ministry, for which the Newfoundland Government is carrying out the airport development, has expressed himself satisfied that Mr. Woodyatt is the "best man for the job" in the island Dominion. And the job is one of the biggest of its kind in the world, one that foreshadows the use of huge, wheeled, land 'planes in the transatlantic air service.

The construction of the Newfoundland airport, the greater speed of land 'planes, and the greater payload they can carry because of needing less gasoline, all give assurance that wheeled machines will eventually be used in the transatlantic service. It is even possible that the British will ultimately use them entirely instead of flying boats, but this depends on the result of test flights and the attitude of American interests represented by Pan-American Airways.

In any event, it appears inevitable the wheeled 'planes will be used to provide at least part of the transatlantic service, though perhaps for mail and express freight only.

However, the definite intention of Imperial Airways to utilize wheeled, four-engined Albatross machines in the transatlantic service has tentatively been matched by decision of Pan-American to experiment with high-altitude Boeing 'planes now being built. So far, American aviation interests are developing large land 'planes mainly if not entirely for transcontinental operations.

For machines of the size that will be used to cross the ocean, airports of generous size will be required. The St. Hubert, Que., airport is already being enlarged and improved in expectation that the Albatross machines will touch Montreal on their way to New York. The Newfoundland Airport, three miles from Gander's Lake, will cover 860 acres, and will have four runways—three 4,500 feet long and 600 feet wide, one 5,000 feet long and 1,200 feet wide.

The paved runways will consist of 1.5 million square yards of asphalt, equivalent to 120 miles of 20-foot highway. It is expected that one runway will be completed by September, and the half-way mark on the whole undertaking is scheduled to be reached by November. Completion date for the whole project is November, 1938. It is possible that an experimental flight across the ocean with a land 'plane will be made next fall if the work is sufficiently advanced.

To provide part of the asphalt for the airport runways, and for later use in supplying materials for Newfoundland roads, Mr. Woodyatt's firm, Colas Roads Ltd., is constructing a factory at Clarenville, on the coast 80 miles from the airport. Clarenville is connected by railway with the point from which a spur line has been extended to the site of the airport.

Improve Plant At Grand Falls

Programme of Expansion Announced by Anglo-Newfoundland

From Our Own Correspondent

MONTREAL. — Anglo-Newfoundland Development Co., controlled by Lord Rothermere and associated interests, plans substantial capital expenditures at its Grand Falls property this year.

One of the principal jobs to be undertaken is the enlargement of the hydro-electric development by 27,000 h.p. According to Frank Humphrey, who presided at the annual meeting, the developed power of the company has been barely adequate for the needs of the pulp and paper mills and the present expansion will provide a surplus which will be used partly to replace coal by electric boilers for steam reasons.

The second undertaking this year will be the installation of a sulphite pulp drying machine.

Mr. Humphrey reported total profit larger than the previous year, and including a first dividend from Terra Nova Properties, resulting from that company's participation in the profits of Buchans Mines.

"We are dealing with the results of 1936," he went on to say, "which do not include the further improvement which has taken place this year in the price of base metals, nor do they reflect improvement which has recently taken place in the newsprint industry."

Profits for last year amounted to $673,718 after depreciation, taxes, fees and bond interest. Total at credit to profit and loss account amounted to $1,114,167.

Interim dividend of 2½% was paid in January this year and the directors propose to declare a further final dividend of 3½%.

Australia Revives Talk Of Newsprint Industry

MONTREAL. — Establishment of an independent source of newsprint for Australian publishers is again to the fore. Dispatches from Australia state that Sir Keith Murdoch, Australian newspaper publisher, is negotiating with interested industrialists with a view to setting up a £3.5 millions newsprint industry.

Gypsum Board Upheld in Vote

Shareholders of Gypsum, Lime and Alabastine, Canada, Ltd., have voted in favor of retention of the present directorate headed by Col. Henry Cockshutt.

At the recent special meeting at Paris, Ont., the resolution to remove the present board of directors was defeated by shareholders. The vote was 187,612 shares in support of the board and 158,306 in favor of removal.

The meeting and the resolution proposing removal of the directorate were sponsored by R. E. Haire, former president of the company.

R. L. Kellock, counsel for the management, stated that there was no record of proxies disallowed.

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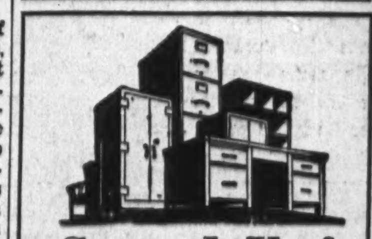

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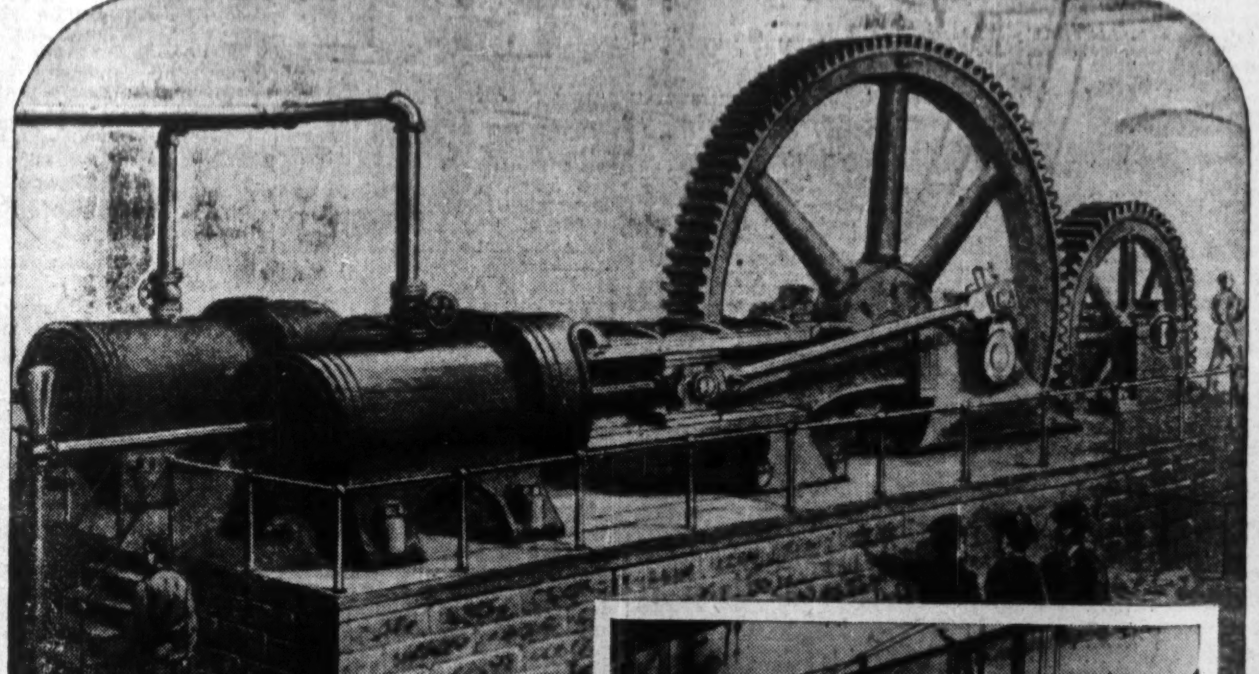
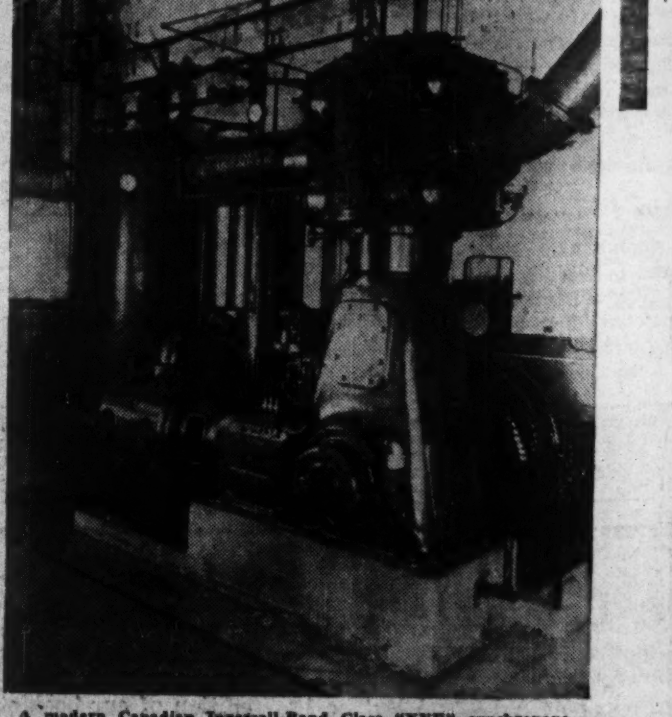


A "Rand" Class A gear-driven compressor used in the early 'eighties. Compare this cumbersome machine with today's modern unit, shown below.



A modern Canadian Ingersoll-Rand Class "XVH" synchronous-motor driven Compressor. Compact, self-contained, roller-bearing, this unit is high in mechanical and compression efficiency.

Half a Century of Compressor Development

DURING THE PAST FIFTY YEARS, mechanical and metallurgical progress has brought about many striking changes in air compressor design. The following tabulation contrasts significantly the slow-moving giants of the 'eighties with the smooth-running, relatively light-weight machines of today.

	Old unit	Modern unit
Size	32 x 60"	31½ & 19 x 14½"
Type	2-cyl; 1-stage	2-cyl; 2-stage
Capacity	3,910 cu. ft./min.	3,910 cu. ft./min.
R.P.M.	35	300
Horse Power	682	604
Weight	125,000 lbs.	32,500 lbs.
Floor Space	30½'x17'=518½ sq. ft.	12½'x8¼'=103 sq. ft.

Canadian Ingersoll-Rand is proud to have pioneered compressor design and manufacture throughout these years, and offers modern C-I-R machines as the finest value industry's compressed air dollar can buy.

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The performance and low-power cost of the XVH, in railway shops and other industrial plants, mines, etc., throughout Canada, have established it as Industry's Superior Air Compressor.

XVH's are available as single-stage or two-stage air compressors, as large vacuum pumps, and as units for the compression of all commercial gases.

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The Pulp Revolution in Canada

Plastic, Textiles, Switch Emphasis in Canada's Largest Industry

Because the latest thing in postmen's helmets, sausage casings, heels for women's shoes and hundreds of other diverse products can be made from wood pulp, Canada is faced with a pulpmill expansion which may rival the predepression newsprint boom.

Chemical developments of the last few years have put cellulose to such an unbelievable number of uses that the emphasis in Canada's main manufacturing industry is swinging from newsprint to pulp.

What is already called the cellulose age offers spectacular opportunities to Canada. In its spruce forests and in its hydro power resources, Canada possesses two of the main requisites for the manufacture of many types of the dramatic new plastics.

At the moment there are fantastic reports of the possibilities the age of cellulose offers. The new industry has grown so rapidly, has developed in so many diverse forms, that fact and fiction have become strangely intermingled.

Demand For Plastics

By far the largest part of sulphite pulp now produced in Canada goes into the manufacture of paper, rayon and Cellophane. But the demands of plastics are a factor behind the present soaring prices and the rapid expansion under way in the industry.

Rayon and Cellophane both at first relied on cotton linters as their basic product, but chemical research soon provided a sufficiently pure cellulose from sprucewood. From that stage research workers in Canada have further purified sulphite pulp, making it suitable for use in a long list of the new plastic substances, once again replacing cotton linters. Sulphite pulp has even replaced cotton in gun-cotton.

Conceivably almost any article in use today could be made of one of many types of plastics, but practical application is another question. A statistician has figured out 50,000 commercial and industrial plastic uses, but this list takes in all the trivial forms, lists square buttons as separate from round buttons. Plastics on the market include such diverse products as combs, tooth brushes, lacquers, paints, varnishes, safety glass, synthetic carving for furniture, scale coverings, and umbrella handles.

Types of Plastics

But plastic is a wide term, defined loosely as something which, under heat and pressure, may be molded into any desired shape and which when cooled, retains that shape. There are many exceptions to this definition. Furthermore, pulp is used in only a few of the many plastics already developed. Sometimes it is used as a filler, bearing a similar relation to the plastic that steel does to reinforced concrete; sometimes as a basic chemical constituent.

Helmets such as the postmen now wear represent one of the simplest types of plastic processes. Pulp is molded under pressure and the resulting helmet is said to be better than expensive pith helmets at a fraction of the cost. Period furniture replicas owe a lot to plastics. Carvings are duplicated in a pulp plastic, the grain of the wood reproduced so faithfully that only an expert can detect the work as synthetic. The plastic has the advantage over the natural wood of strength and cheapness. One carver's work can be reproduced indefinitely.

The motor car industry is, however, one of the largest consumers. Instrument panels, knobs, even the steering wheel in some models, are made from plastics.

Sulphite Process

The sulphite pulp process was originally developed in 1885 by a simple treatment of spruce, fir and hemlock, with sulphuric acid combined with lime and magnesia in special digesters lined to withstand acid corrosion.

May be Sausage Casings Now

The girl at the right may be wearing the logs shown above after they have been crushed by a mill similar to the one illustrated. Logs turn up now in a Canadian postman's summer helmet, in the carving on the new chesterfield, in the non-inflammable furnishings of a luxury liner, in the glitter of the baby's rattle. Newsprint, artificial silks, Cellophane and the spectacular new plastics all compete for Canada's pulpwood.

Wood sulphite used for producing cellulose can now be brought into solution as transparent as water in which sugar has been dissolved. Fibres that are essential for paper and rayon manufacture can be completely dissolved and the finished plastic bears no trace of its wood base.

The best known of the plastics of which pulp is a constituent part is "plaskon," which has found its most spectacular uses in the manufacture of scale coverings and radio cabinets. It is also used for electrical fixtures, colorful bottle tops, indirect lighting shades, refrigerator fittings, clock cases and organ keys.

The world's first plastic came in 1868, when John Wesley Hyatt treated cotton linters with nitric acid. He won a $10,000 prize for a suitable substitute for ivory in billiard balls and gave the world celluloid. Then in 1890 a German scientist, seeking a "white" blackboard, mixed sour milk and formaldehyde and got the second plastic with a base of casein. This was used mostly for buttons and buckles. The next development came in 1909. Seeking to create a fusible, soluble material to compete with expensive natural resins, Dr. Leo Baekland got an insoluble, infusible material now known as Bakelite. Made from carbolic acid and formaldehyde, it is really a primary substance which never existed before.

Synthetic plastics have since multiplied rapidly, but the plastic age really dawned in 1931 when the production of the first plastic scale covering opened the way to innumerable uses. By 1935 finished plastic articles sold for $150 millions in the United States.

A Changed Picture

Plastics as consumers of pulp were not thought of when the overbuilt Canadian pulp industry crashed in the first waves of the 1929 depression. Mountains of pulpwood weathered neglected beside closed mills. Newsprint, the white hope of post-war Canadian industry, had become the major financial cripple.

The picture has dramatically changed. Newsprint mills are running full time. World consumption of wood pulp has increased four million tons a year since 1929. In 1927, 40% of world wood pulp went into newsprint; by 1936 this had dropped to 36%. Textiles, Cellophane and plastics are demanding more and more sulphite pulp. A sellers' market has shot the price out of line with the price for newsprint. In 1926 unbleached sulphite brought $55.50 a ton, and newsprint was selling at $79.30 per short ton in New York. Currently the quoted world price for sulphite is around $70 a ton against a newsprint price of $42.50.

How long the demand for sulphite will continue to increase is another question. While both textiles and plastics are expanding, there is no accurate way to forecast the rate of consumption of pulp. There is no guarantee that the chemists who so rapidly developed sulphite pulp to replace cotton linters in both textile and plastic fields will not carry their work farther and replace pulp with something cheaper, better. Chemists bluntly predict that the pulp makers will not have things all their own way in future developments. At present there are a number of plastics that do not use pulp in any form.

Dangers Ahead?

Sulphite expansion plans are behind the $44.5 millions programme outlined two weeks ago in Ontario by Hon. Peter Heenan, minister of lands and forests. Sulphite is the reason for mill extensions under way and projected in British Columbia. Is there danger of rearing again the financial structure which almost suffocated the newsprint industry? By the time the projected new mills are completed, will the market be glutted?

Quebec apparently has doubts. The government has announced that no more mills will be built, no additions permitted at present. Further, Quebec has banned the export of pulpwood. Quebec in 1935 had a capacity of 2.1 million tons against Ontario's 1.1 millions. Ontario's capacity has remained almost unchanged while Quebec has been adding mills.

The plastic industry may mean a new age but there is (necessarily perhaps) a lot of imagination in the laboratories. Plastic motor car bodies, plastic houses have tremendous practical difficulties to surmount before, if ever, they become realities. The rapid changes, the constant developing of new substances, are intriguing, but do not represent a picture on which a solid estimate can be made.

Luxury Ten Years Ago

"Cellophane" has become a household word in a decade. It is the most glittering of cellulose contributions to modern life. Rolls of it are shown here at the Cellophane plant of C. I. L.

The textile industry still remains the largest user of pulp. At first rayon represented only a cheap substitute for silk. Now its uses have multiplied along a wide front.

Clothes From the Woodpile

From the forest to the wardrobe is just a chemical span. The girl above is wearing a tailored rayon dress, trimmed with a brown slide fastener made of "pyralin," a cellulose nitrate plastic. A slide fastener of the same material closes the handbag while the scuffless heels of the pumps are also of "pyralin." Every article she wears could be made from pulpwood.—Photo courtesy C.I.L.

It is mixed with both cotton and wool. "Rayo" twist tires sell at a price approximately 25% in excess of cotton cord tires, but it is claimed that on trucks and buses they give four to five times more mileage.

Cellophane that has almost revolutionized retail packaging is another consumer of sulphite pulp. Known before 1900, it assumed no commercial importance until 1908, and until 1924 was only used in the luxury trade. The entire world's output then came from France. The first Cellophane was produced in Canada in 1932. Recent uses range from ladies' shoes and rattan furniture to fly swatters.

Processing Cellulose

Cellulose is the main constituent of wood, as it is of cotton and straw. It forms 50% of spruce, accompanied by lignin, pentosans, hexosans and fats and resins in varying proportion. Transforming spruce wood into bleached sulphite involves separation of the cellulose in the wood from the other constituents. This must be effected in such a manner as to retain the cellulose fibres in the purest possible state. It is essential that the eventual product be of uniform quality.

The preponderant part of Canada's bleached sulphite production enters the United States. Last year 82½% was exported to the States, less than 10% to Great Britain, and about 5% to Japan. From a depression low of 150,000 tons in 1932 exports to the United States by 1936 increased over 87%. In the same period Sweden improved its exports to the States by 45%, Norway by 50%, Finland by 40%, while Germany's exports declined 10%.

Pulp and Power Provide Resources for Cellulose Age in Canada

The United States is the largest producer of bleached sulphite in the world and at the same time provides the largest market. It is believed that the United States has attained its high point in bleached sulphite production, so that Canada stands to gain at an increasing rate.

Sweden and Norway have limited their forest cut to the amount of the annual growth, so that these large producing countries have virtually reached their maximum export. In Finland the consumption in many parts of the country already exceeds the annual growth. Prevailing trends indicate that Germany is becoming primarily a consumer, not an exporter of pulp.

Russia, with vast spruce forests, has transportation difficulties, as the forests are largely located on rivers flowing into the Arctic. Her readily accessible timber is diminishing rapidly. In addition, the spread of education is rapidly increasing the domestic demand for book paper and newsprint.

Shortage Predicted

Rayon, Cellophane and other industrial demands have doubled from about 500,000 tons in 1935 to about a million tons in 1937. Some observers predict a shortage of bleached sulphite by the end of this year. New plants under construction or planned in Ontario will not be in complete production until 1939, and estimates vary as to the increase that will result in output of wood pulp products. Hitherto Ontario has produced sulphite pulp only as an incidental in the making of newsprint.

Book papers, newsprint, will consume about 70% of the 1937 sulphite pulp production. Artificial silk—rayon—is the second largest consumer. At least 90% of the viscose rayon yarn is made with bleached sulphite as a base, 1.2 pounds of bleached sulphite per pound of finished yarn. The 1936 production of rayon (1,325,000,000 pounds) is 230% in excess of the 1929 output. Consumption of rayon in the United States has increased 170% in that time.

Estimates show that the nine leading countries producing bleached and unbleached sulphite pulp produced 7.5 million metric tons in 1936 or 8.3 million short tons. Of this total, Canada was fourth in the list with 1.01 million tons, United States first with 1.6 million, Germany with 1.3, and Sweden with 1.4.

May Sweep Fashion Field

The cellulose age under the rule of the chemists has dawned. It is daily invading new fields. The glittering plastics have already brought a demand for gorgeous color which may sweep right through the fashion field.

At the moment it means to Canada a profitable market for a partially manufactured material which can be produced in increasing quantities. Will Canada continue to export its raw sulphite pulp or will a great new series of chemical industries develop alongside the northern waterfalls?

At the moment it is a decidedly interesting world trend. It yet may bring an industrial revolution in Canada.

Toothbrushes and Baby Carriages

Cellulose goes into the manufacture of combs and toothbrushes. A stage in the process is shown above. Pyroxylin, a product of cellulose, is a constituent of the baby carriage tops shown on the test rack of the C. I. L. Fabrikoid plant at New Toronto.

Political Gravy Off Ottawa Menu

Private Contracts for St. Lawrence Canal Project Mark End Of Dredging and Shipbuilding Patronage

From Our Own Correspondent

OTTAWA.—The Federal Government is to spend $11.5 millions upon bringing the St. Lawrence ship canal "up to the standard of present-day requirements." It will spend the money wholly through private contractors. And therein lies a significant change of policy.

As a preliminary to the programme, Hon. C. D. Howe, Minister of Transport, has announced the sale of the Sorel shipyards and the department of marine's dredging fleet, and the consequent retirement of the Government from the dredging and shipbuilding business.

Henceforth, it is estimated, the policy of the Government will be to have all St. Lawrence dredging carried out by private interests, and to have all dredging contracts recommended by a non-political interdepartmental committee before being awarded.

Blow to Patronage

The adoption of such a policy by the Federal Government represents one of the most important anouncements in the realm of governmental contracting which has come from Parliament Hill in a number of years. Its significance lies in the fact that from time immemorial the Sorel shipyards and the Government dredging fleet have been the principal means for the exercise of political patronage in Quebec Province, while contracts for dredging the St. Lawrence have been the time-honored source of "political gravy" for contractors in that province.

Thus, to those on Parliament Hill who know anything of the history of the Sorel yard and of St. Lawrence dredging contracts, the present move is recognized as the greatest blow to patronage and questionable political jobbery which any government has dealt in many years.

It means the passage of old-time conditions and represents a significant further step along the trail which the Government commenced to blaze a few weeks ago when it set up the Interdepartmental Committee for the Control of Profits on Government Armament Contracts

Yards, Dredges Sold

General Dredging Contractors of Montreal are the purchasers of the Sorel yards and of the Government dredging fleet. The price paid is $1,700,000 — a figure based upon an appraisal of the properties made by an independent Montreal appraising company.

At the same time, the first of the new dredging contracts is awarded under the new system of competitive tender and approval by the non-political interdepartmental committee. The result is that the first awards go to General Dredging Contractors of Montreal and that the general scale of unit prices involved is declared to be "materially lower than prices applying on current contracts."

The new policy which Hon. Mr. Howe is now enforcing, in his capacity as Minister of Transport in connection with patronage and contracts along the St. Lawrence, owes its adoption at the present moment to the report on the St. Lawrence ship channel which an interdepartmental committee of Government marine experts has just made. Deciding to accept the recommendation of the committee, the Minister of Transport decided, also, apparently, that the time had come to effect the patronage and contracting reforms which were long overdue.

Unit Cost Lower

Dealing with the Government's dredging fleet, he states, in announcing his changed policy, that "the unit cost of work done by private contract is considerably lower than the cost of work carried out by the Government's own dredges. It is the view of the officers of the department that further work should be carried out by contract, particularly as the work below Quebec will be fully completed this year, after which the department's equipment will not be suitable to perform the remaining work economically."

On the subject of the Sorel shipyard, the minister's statement is that "this shipyard has been a constant source of trouble owing to difficulties of administration. . . . Over the past 10 years the cost of maintaining it has averaged about $400,000 per annum. . . . The cost of maintaining the department's shipyard and dredging fleet is now entirely out of proportion to the value of the service obtained.

The minister also reports that the dredging contract now awarded has been "recommended by the interdepartmental board" and the prices "certified by the engineering staff of the ship channel to be fair and reasonable."

Jobs For Votes

The Sorel shipyards have been in operation since almost the opening of the century. Employment in them has always been on the basis of politics, the number of workers ranging from 300 to more than 1,000. The yards characteristically ran full blast around election time and tapered off as soon as a Government was returned.

St. Lawrence dredging contracts are an even older institution than the Sorel yards. They have always smelled of political favoritism, and the remarkable thing is that, where so much smoke has existed, fire has never been actually shown. The prevalent theory has always been that both political parties were too much involved for either to take the initiative in the searching investigation which the contracts have generally been regarded as meriting.

In essence, the policy which Mr. Howe is adopting now is one of allowing the dead past to bury its dead, while starting out afresh for the future.

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Eastern Steel

Will you please let me have some information on the earnings of Eastern Steel Products?

Earnings of Eastern Steel Products in the year ended Nov. 30, 1936, were equivalent to $8.37 a share on the prior preference stock, compared with dividend requirements of $7 a share. In each of the four preceding fiscal years, however, the company reported no earnings on its preference stock although dividends were paid. Last year was the first in five in which earnings were reported on common. Earnings on common this year were equivalent to five cents a share. The company, however, paid a dividend of $1 a share on its common stock.

The present price of the common shares of Eastern Steel Products is discounting the future to some extent. Earnings would have to show a substantial increase in order to justify continuance of the $1 dividend.

Industrial Alcohol

I have held stock of Canadian Industrial Alcohol for some time and would like you to give me a brief report on the position of this enterprise.

Canadian Industrial Alcohol recorded an improvement in its financial position and earnings during the year ended Sept. 30, 1936. Net profits of $358,368 compared with $227,937 in 1935. Earnings per share amounted to 33 cents as compared with 20 cents in the previous year. The working capital declined during the year from $6.5 millions to $5.9 millions. There is no immediate prospect of dividend being paid on Alcohol shares, but the time when this can be done is appreciably nearer. The company has straightened away its obligations in connection with the debentures of its subsidiary, Robert McNish and Co., and when payment is made on the American type whiskies, all of which have been sold, there is no reason why the company should not start distributing the surplus to shareholders.

Steel of Canada

Can you tell me why there is a difference in the market value of the preference and ordinary shares of Steel Co. of Canada? Also will you let me have your views on the outlook for the company?

The difference in price between the preference and ordinary shares of Steel Co. of Canada is about equal to the amount of "arrears" to be paid to the ordinary stock. The latter gives a low yield on the regular dividend, but the point should not be forgotten that there is still $8 a share of extra dividends to be paid. This is in addition to the regular $1.75 annually before the preferred participates in further earnings. Furthermore, prospects for the iron and steel industry look more promising now than they have for many years past, and it is generally expected that the steel companies will report higher earnings in the period immediately ahead. In that event, the company will likely take steps to liquidate the extra dividends of $8 a share, although such extra payments may be affected by the company's plans to make heavy capital expenditures on plants.

Montreal Tramways

I have heard that the affairs of Montreal Tramways Co. will be investigated by a commission. Such rumors have been going on for a long time and nothing has happened. I note that the company is continuing to pay its regular dividends and I would like to know what you think of the common stock.

An enquiry will be instituted shortly by the Quebec Government into the contract relations existing between the Montreal Tramways Co. and the City of Montreal. There is a very strong agitation for a revision of the contract along the lines of a lower return on capital to the tramways company.

You are not quite correct in stating that despite the rumors of the company's unsafe position "it has paid its full dividends steadily." The regular dividend rate on the Montreal Tramways common stock was $10 a share. This rate was reduced to $8 a share and has since been restored to $9 a share—the current level.

The common stock is not without attraction, but you should appreciate the fact that there is a possibility that the return to the company under the contract may be reduced, in which event the dividend policy might be affected.

Canadian Hydro

Will you please let me know how long it would take to secure court approval of Canadian Hydro-Gatineau Power merger? I know that under American laws it would probably take a year to secure approval, but understand it takes less time in the Canadian courts.

Steps are being taken by Canadian Hydro-Electric Corp. to have its plan to merge with Gatineau Power approved by the Ontario Supreme Court. After that is done, the next move will be for Gatineau Power Co. to secure approval of the Quebec courts for its merger with Canadian Hydro. The third step is to secure approval of the Quebec Electricity Commission for the issue of new stock by Gatineau Power Co. While it is rather difficult to say just how long these moves will take, we do not think that it will be longer than three months, unless opposition to the scheme is successful in the courts.

Eastern Dairies

Please let me have your opinion on the ability of Eastern Dairies to continue paying interest and sinking fund on its bonds.

Eastern Dairies Ltd. appears to have touched rock bottom. It is not anticipated that there will be any further major decline in earnings. The company should therefore be able to maintain interest and sinking fund payments. However, there is one thing to consider in relation to this company, namely, it has little control over the price which it pays for its raw material or on the selling price of its products. These factors are controlled by government regulation.

Windsor Hotel

Would you tell me whether the bondholders' committee of the Windsor Hotel is working on a reorganization plan?

The bondholders' committee of Windsor Hotel Co., Montreal, is working on a plan of reorganization, but no details are available as it is still in the formative stage. It is expected that some announcement will be made before long.

At present the company has outstanding over $2 millions of first mortgage bonds and $1 million of 6% refunding mortgage bonds. Interest payments on the former were deferred on July 1, 1935, and for the latter on June 1, 1935.

Net earnings of the company before bond interest and depreciation amount to $133,776 in 1936, compared with $107,847 in 1935. It is understood that improvement has continued into the current year.

International Paints

Will you please let me have your views on the outlook for International Paints?

The outlook for the paint and varnish companies has improved. There is not only increase in building, but large sums are being spent on maintenance and home improvement, with the result that sales of paint and allied products show an upward trend. International Paints should be in a position to secure a large share of this trade.

Changes effected in the capital stock of the company during 1936 resulted in holders of the old 7½% preferred receiving 1½ shares of new preferred for each old share held. The dividend rate on the new preferred is 5% until the old arrears have been eliminated, and then it becomes 6%. The accumulated arrears of dividends on the old stock, amounting to $253,000, remain an obligation of the company to be paid as earnings are available. Last December the company paid a dividend of 75 cents a share, plus a payment on arrears of 25 cents a share.

Maple Leaf Milling

What is the outlook for Maple Leaf Milling common shares?

Maple Leaf Milling Co. has improved its position in the last two years, but the common shares are selling nearly as high as the class A preferred and there does not appaer to be any prospect of earnings or dividends for some time. If, therefore, you decide to stay with an investment in the company, you might consider switching your common shares into class A preferred. Unless the company's record is improved materially, it is possible that another capital reorganization may be necessary by the time fixed interest charges accrue in 1938.

Canadian Bakeries

Is there any possibility of recovering my investment in Canadian Bakeries first preferred?

Canadian Bakeries is doing better, and is expected to show earnings on the first preferred stock this year. In view of this, you may sooner or later receive income on this investment. If the 41% arrears are dealt with, or the full annual dividends of 7% were eventually resumed, you might recover a substantial portion of your capital.

Niagara Falls Bonds

Please give me current prices on Niagara Falls bonds. I have bonds that were due in 1935 and while full interest has been paid nothing has been done about the principal. What is the prospect for payment?

Market value of Niagara Falls bonds is about 93 bid, 95 asked for issues like your 1935 bonds that are overdue. For longer maturities, bonds which have not yet fallen due, the market is about two points lower.

It appears improbable that the principal of all overdue bonds will be paid immediately. However, discussions are going on toward drafting a plan of reorganization for the city to take care of defaults of principal and more definite information will be available soon.

Canadian Breweries

I hold Brewing Corp. preferred which cost me $30 a share and I am considering getting rid of it around 21. However, I would first like to know whether the recent dividend of 50 cents a share means that the stock is on an annual $2 basis.

Brewing Corp., now Canadian Breweries Ltd., has put the payments on its preferred stock at $2 annually with the recent payment of 50 cents a share, and arrears continue to accumulate at the rate of $1 a share annually. The company is in a stable consumption industry, subject, of course, to government regulation, and possibilities of further sales expansion, therefore, may be more limited than in types of industries where there are wider swings in volume.

The company's record of earnings have not been impressive, as preferred dividends have not been earned after allowing depreciation. Nevertheless, it has been able to increase working capital while paying the partial dividends.

Western Savings

I am thinking of surrendering a savings certificate in Western Savings and Loan Association on which I would get a cash payment equal to about half the total of my deposits. What do you think of my chances of getting full payment if I maintain my deposits? Is this organization reliable?

Western Savings and Loan Association is a responsible organization, whose operations are subject to supervision by the Manitoba Public Utility Board. The company's powers are limited by Act of the Manitoba Legislature. The association sells long-term savings certificates, which are of value to the investor who maintains his payments. But if payments are discontinued, as you are suggesting, there is a loss, because in the early years of the contract the cash surrender value is less than the actual amount deposited. It is only by maintaining payments throughout the whole period that the investor reaps the benefit.

The association's balance sheet shows adequate security for the cash surrender claims of certificate holders and provided the association continues to follow its past investment policies, it appears likely that you will receive the full amount of your certificate at the termination of the savings period. Of course, the history of some of savings certificate organizations is not sufficiently long to be certain of their results over a long time, but so far the association appears to have been well managed.

Dominion Stores Earns $34,178

Profit for 24 Weeks Contrasts With Loss in 1936

Dominion Stores Ltd. reports net profits of $34,178 for the first 24 weeks of 1937. This contrasts with a loss of $36,992 for the corresponding period of 1936.

Sales for the 24 weeks ended June 12, 1937, increased $174,084 or 1.96%. Average number of stores operated was 479, compared with 493 in 1936, indicating a substantial increase in sales volume per store.

Early this year, 17 stores on the Island of Montreal were closed because it was felt this territory could be well served with the remaining 88 stores. There have also been some tranfers of locations and a few new stores have been opened in the area.

Important changes have been made in the current liquid position as at June 12, 1937, compared with Dec. 26, 1936. The company's total current assets remained only slightly changed at $2,935,068. However, the component items showed marked differences. At $1,003,629, cash and call loans showed an increase of approximately $531,000. Inventories of merchandise on the other hand, declined to $1,931,439, a drop of some $543,000. Current liabilities were reduced slightly, leaving net working capital at $2,089,673 at June 12, compared with $2,082,479 on Dec. 26, 1936.

Tax Discrimination

In its bulletin informing on sales and profits, the company states that if discriminatory taxes are to be imposed on chain stores, costs are going to rise, and as the margin of profit is already extremely small, prices for goods will also rise.

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Electrolux Profit Higher This Year

Earn $1.30 a Share for Half Year — Net Over $1.6 Million

From Our Own Correspondent

MONTREAL. — Consolidated net profit of Electrolux Corp. for the six months ended June 30, 1937, amounted to $1.6 million. This was equivalent to $1.30 a share and compares with over $1.5 million or $1.25 a share for the corresponding period in 1936.

For the second quarter of the current year Electrolux reports net profit of $843,867 or 66 cents a share as against $836,286 or 67½ cents a share in the same quarter a year ago.

Increase Share Earnings

Following is a comparison of net profit:

6 Mos. end. June 30:	1937	1936
Net profit	$1,612,336	$1,555,758
Per share	$1.30	$1.25
Quarter end. June 30:		
Net profit	$843,867	$836,286
Per share	$0.66	$0.67½

Canadian Hydro Switch Is Approved by SEC

From Our Own Correspondent

MONTREAL.—The U. S. Securities and Exchange Commission has approved securities issues through which International Hydro-Electric System proposes to merge its Canadian subsidiaries, Canadian Hydro-Electric Corp. and Gatineau Power Co.

Under the plan approved by shareholders, Canadian Hydro will pass out of existence and its shareholders will become shareholders of Gatineau Power. As holder of all of the second preferred and common stock of Canadian Hydro, International Hydro-Electric System will secure controlling interest in Gatineau Power's new common stock.

Trading in the new Gatineau Power 5% preferred and common stock has already been initiated on the Montreal Curb Market on an "as, if and when issued" basis.

Fraser Profit Again Jumps

Earnings for Half Year Are Greater Than for All of 1936

From Our Own Correspondent

MONTREAL.—Consolidated earnings of Fraser Companies Ltd. for the half year ended June 30, 1937, continue on a rising scale reflecting increased demand for the company's products are better selling prices.

Subject to adjustment on audit, income for the first half of 1937 amounts to $537,115 before providing for income taxes estimated at $123,887. Comparable figures for the first quarter this year alone was $167,841 and for the full year of 1936, $115,024.

In the first half of 1937 earnings of nearly $1.5 million were 3.2 times interest on funded debt, before provision for depletion and depreciation. After such charges, funded debt interest coverage was 2.2 times.

Net earnings available on the capital stock amounted to $413,228, or about $1.25 a share.

Consolidated Income and Expenditure Account
Six Months Ended June 30, 1937
Subject to Adjustment on Audit

	$
Operating earnings	1,466,774
Less: Bank & other interest	17,577
Special loan interest	51,360
Bond interest	360,779
Defer. bond int.—Restigouche Co.	16,663
Depletion & depreciation	478,773
Net income for six months (before income taxes, estimated at $123,887)	537,115

Asbestos Corp. Signs New Wage Agreement

From Our Own Correspondent

MONTERAL.—Asbestos Corp. and other mine companies operating in the eastern township of Quebec have agreed with representatives of the men on a new wage schedule. Beginning with Aug. 1, a two-cent an hour increase will be given to all workers. A similar increase will take place in October.

Bathurst Profit Gains Sharply

From Our Own Correspondent

MONTREAL. — Strength in Bathurst Power and Paper Co. stock reflects the interim report for the six months, which showed a sharp increase in earning power. Preliminary estimates are that the company will earn about 75 cents a share on its class A stock this year.

After depreciation and depletion, but before income tax and subject to audit and year-end adjustments, estimated profit totalled $350,000. This compares with a profit of $40,000 for the same period of 1936.

Growers Wine Co. Earnings Higher

Equivalent to $1.07 a Share on Outstanding Common Stock

Growers Wine Co., Victoria, B.C., shows net profits of $42,949 in the year ended April 30, 1937, compared with $39,876 in the preceding year. The profit was equivalent to approximately $1.07 a share on the outstanding 36,721 common shares. The 7% dividends on the $50,000 of preference stock was earned over 11 times.

After dividends of $1 a share on the common, the company's surplus was increased from $100,277 to $102,019. Working capital at April 30, 1937, amounted to $312,040. Included in current liabilities is an item of $41,360 in connection with the Lulu Island plant and $50,000 of bills payable in connection with Victoria Wineries B.C. Ltd.

The company's investments include 109,081 shares, all the issued capital, of Victoria Wineries which were acquired by exchange of shares with Growers Wine on a one for 10 basis. So that Growers Wine outstanding shares increased during the year by 10,908 shares.

Quebec Power Company

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Series "C"

Due September 1, 1962

Price: 98.50 and accrued interest yielding about 4.10 per cent.

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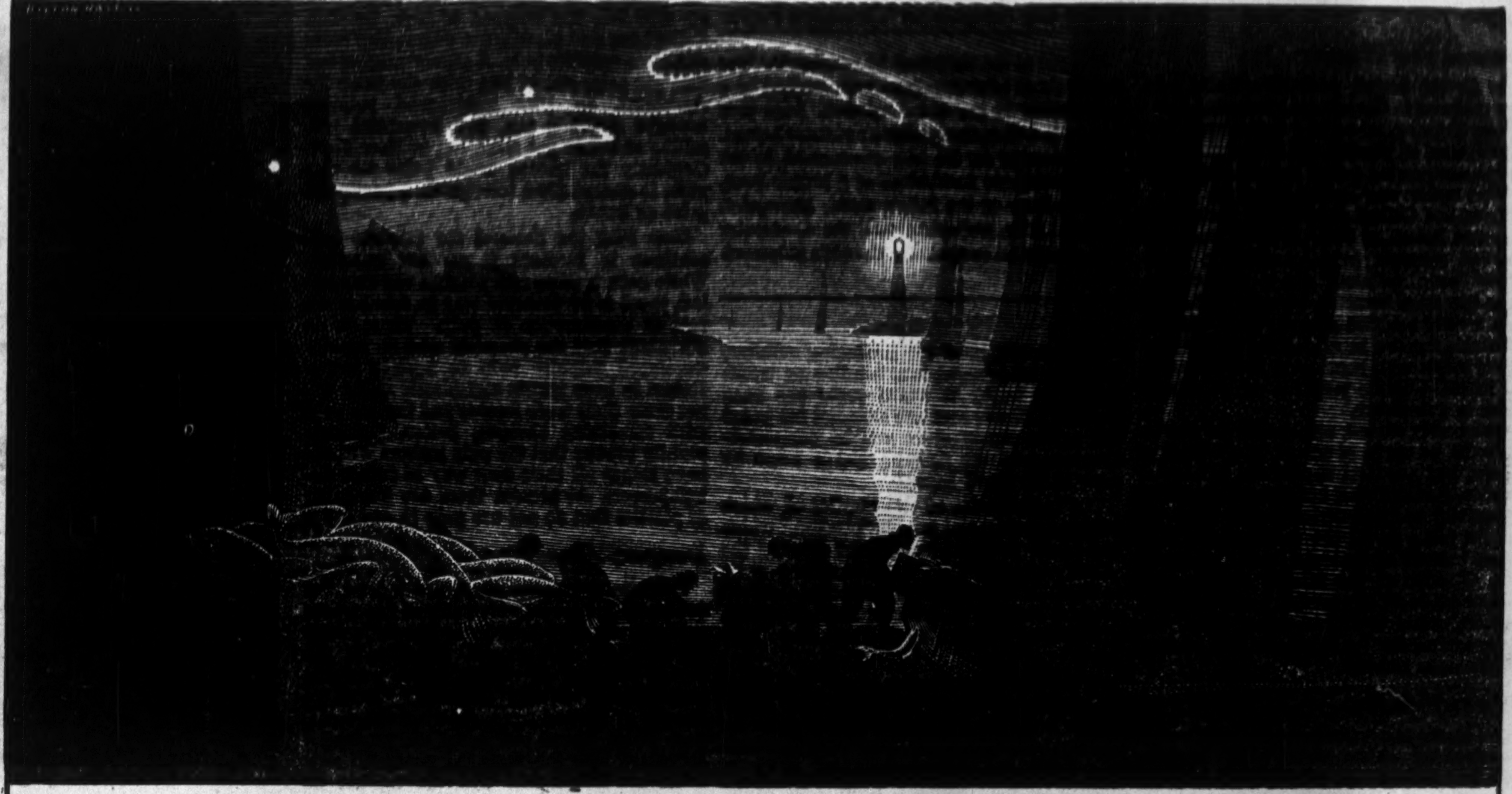

THE MARITIMES
CANADA'S GATEWAY TO THE ATLANTIC

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IN THE MARITIMES, (Nova Scotia, New Brunswick, and Prince Edward Island) there are 204,345 homes; 78,059 urban; and 126,286 rural.

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88,313 Wired Homes
145,196 Owner Occupied Homes
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THE NATIONAL MAGAZINES of Canada give you direct friendly access to every active buying market in Canada. Because they are regular and welcome visitors to thousands of homes…because they cater to specific Canadian interests . . . your sales message in the national magazines meet with multiplied friendly contacts . . . is read by thousands of "able-to-buy" readers throughout Canada. No other medium can give you so economically, efficiently and simultaneously, national coverage from sea to sea.

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NATIONAL COVERAGE FROM SEA TO SEA

Outlook for Foreign Bonds 3.

Argentina Improves Financial Position By Conversion Loan

Republic Enjoys Highest Credit Rating of Latin-American Countries—Reduces External Debt —Exports Increase Sharply

By NORMAN A. WHITE
Staff Writer, The Financial Post

Of the various Latin-American republics with external dollar debts outstanding, the Republic of Argentina enjoys the highest credit rating, interest having been paid on all national issues. As in Canada, however, some of the provincial and municipal issues are in default.

Proof of the high credit standing of the republic are the huge conversion operations carried out during the past year through which it has reduced its foreign debt and made substantial savings in interest charges.

Prior to the conversion operations the dollar debt of Argentina was made up of 10 national issues totalling $233.3 millions, 14 provincial issues totalling $89.8 millions and seven municipal issues totalling $22.2 millions, a grand total of $345.3 millions.

During the current year nine of the national dollar issues have been redeemed or called for redemption, funds for this purpose being provided by conversion loans offered in the United States early this year and late in 1936 and by a huge internal repatriation loan. The nine issues which have been or are to be redeemed total $197 millions, of which $180 millions carried 6% interest and $16.9 millions 5½% interest. The conversion issues carry 4% and 4½% interest coupons so that a very substantial saving is being made in interest charges.

Reduced Dollar Debt

When conversion has been completed the outstanding dollar indebtedness of the republic will consist of three conversion issues totalling $128.5 millions of which $105 millions bears 4% interest and the balance 4¼% interest. In addition there is an issue of 6% bonds, due 1959, totalling $35.8 millions, which is callable for sinking fund only. Thus, the dollar indebtedness of the republic when the last of the old issues has been redeemed in November next will total $164.3 millions as compared with $233 millions previously.

In addition to dollar indebtedness Argentina has an external sterling debt of £56,803,146, a Swiss franc indebtedness of 131,414,700, a Spanish indebtedness of 100,595,800 pesetas, a French indebtedness of 83,838,000 francs, an Italian indebtedness of 27,325,100 lire, and external bonds convertible into internal obligations of 8,115,600 gold pesos and 5,940,004 paper pesos. Furthermore, some provincial issues have been underwritten by the national government.

Conversion operations have also been carried out in the London market, the 4% Argentina sterling railway bonds having recently been converted into a new 3½% loan.

Debt Charges Reduced

According to a recent announcement by the Government the external debt on completion of the conversion will amount to 1,143 million pesos requiring an annual service of 91.9 million pesos, as against 1,485 million pesos in October last requiring a service of 114 million pesos. The internal debt will amount to 2,634 pesos requiring a service of 146.8 million pesos as against 2,531 million pesos in October last requiring a service of 140.8 million pesos. Thus, total debt charges have been reduced by 16.1 million pesos annually.

The reason for Argentina's excellent credit position lies in a fairly stable economy and its sound fiscal policies. During recent years the republic has steadily improved its financial position and further improvement has been recorded in the current year as a result of repatriation of a large amount of external debt and reduction in interest charges. Furthermore, unlike Canada and the United States, Argentina has been able to manage its affairs in recent years without piling up huge deficits and large increases in debt. Accumulated deficits in the three years ended Dec. 31, 1934, were $21.7 millions while in 1935 the Government had a surplus of $9.9 millions.

Comparative debt and budget figures are shown below:

Argentina Budget
(In millions of dollars)

	1934	1935	1936
Expenditures:	$	$	$
Administrative	140.8	169.0	181.9
Bond interest	57.0	48.7	58.7
Amortization	19.1	15.9	
Special	20.3	33.1	
Exps. covered by sale of bonds	56.7	47.8	39.3
Other	15.2	18.9	28.6
Total expenses	309.1	333.4	308.5
Revenues	308.9	342.3	308.5

Note:—Converted into dollars at average annual rates.

Gross Public Debt

	1933 $ 000's	*1936 $ 000's
External debt	542,576	513,981
Internal debt:		
Funded	607,647	843,740
Floating	360,951	34,724
Total debt	1,511,174	1,392,445

*As at June 30.
Note:—External debt converted into dollars at par of exchange; internal debt at average December rates.

Trade Surplus Increases

During the past two years Argentina has experienced remarkable economic recovery and export trade has shown a very substantial increase, especially in the current year. In 1936 the surplus of exports over imports amounted to $177.5 millions, compared with $128.8 millions in 1936. In 1937 there will be a further substantial increase in export surplus.

Recent news dispatches indicate that the volume of exports from Argentina in the first six months of 1937 was greater than in any corresponding period in the country's history. The increase for the entire export list was 87% and for grain almost 100%. Exports of grain and by-products for the period amounted to 10.3 million tons compared with 5.3 million tons in the first six months of 1936.

The value of exports for the first six months is placed at $469.7 millions, an increase of 94.8% over the first half of last year. Value of grain exports increased by 164% from $122.1 millions to $322.4 millions.

Provincial and Municipal Bonds

In the provincial and municipal field interest is being paid in full on the bonds of the provinces of Cordoba and Tucuman and the cities of Buenos Aires and Tucuman. The provinces of Buenos Aires, Mendoza and Santa Fe are paying interest in accordance with existing debt adjustment plans. The city of Cordoba is in default on one issue on interest payments stipulated in the readjustment plan. Recently an offer was made to holders of province of Buenos Aires bonds to convert their holdings into Argentina paper pesos bonds of provincial consolidated debt issue bearing 5% interest. The national government has also assumed a 46 million pesos loan of the province of Mendoza bearing 8% interest.

In June, the city of Buenos Aires, following the example set by the national Government also carried out a refunding operation, offering a conversion loan in New York of $13.5 millions of 4½% external sinking fund convertible bonds. Proceeds of this issue are to be used to redeem three dollar issues consisting of $6.3 millions of 6½% bonds due in 1955 and $5.6 millions of 6% bonds due in 1960.

United States Fidelity & Guaranty Company
TORONTO

NOTICE

Notice is hereby given that Affiliated Underwriters has received Certificate of Registry No. C-428 from the Department of Insurance, Ottawa, authorizing it to transact the business of Automobile Insurance, excluding insurance against loss by reason of bodily injury to the person, in addition to the previous classes of insurance for which it is registered.

V. W. GERRISH,
Chief Agent for Canada.
June 29, 1937.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
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FIRE. WINDSTORM. AUTO. CASUALTY

Bank Chat

Loan Prospects

Pointing to an upswing in commercial lending as the most favorable of recent banking developments, Standard Statistics predicts continuance of this trend for the remainder of the year with sharp improvement probable early in 1938. Loans in more than 100 American cities have increased over 6% since the beginning of the year, and at the end of June were 15% above the total at that date a year ago.

The statistical agency states that the general level of money rates is still low. There has been no perceptible hardening of rates on "loans to customers." It is felt, however, that a solid bottom has been established and higher returns are to be expected with any marked increase in credit demands.

* * *

Bank Vaults

Canada's new storehouse for some $200 millions in gold and additional millions in bank notes and securities is rapidly nearing completion. Vaults of the new Bank of Canada Building at Ottawa, while not meriting the title of "fortress," which has been used in connection with the United States gold storehouse at Fort Worth, are sufficiently strong, and sufficiently well guarded, to discourage the most enterprising burglar.

In reality, there are two vaults, with a separating floor. Width is 90 feet and depth 40 feet, with a height of 15 feet. There is one vault in the sub-basement and above, in the basement and within the same enclosing walls with a concrete and steel floor between, there is a second vault of the same dimensions.

Staff Changes

The Imperial Bank has announced the following changes in staff:

H. B. HENDERSON, formerly accountant at Sioux Lookout, to be manager at Red Lake, Ont.

J. R. CROUCHER, formerly assistant accountant at Kirkland Lake, to be accountant at Sioux Lookout, Ont.

J. S. W. CLOWES, formerly accountant at Nelson, B.C., to be manager at East End Calgary.

P. COOPER, formerly manager of the savings department at Edmonton, to Winnipeg.

Bank Debits Down in June

Dominion Total Higher for First Six Months

Despite substantial improvement in business activity, bank debits in June were almost 8% below last year's total. The explanation lies in a lower volume of speculative trading on security markets.

Compared with the previous month, debits in June were up almost 5% after seasonal adjustment. Gains were registered in Ontario and the Maritime Provinces, with conditions in the other areas less favorable. Percentage changes show increases of 8.4% in the Maritimes and 16% in Ontario, and declines of 2.2% in Quebec, 5.5% in the Prairies and 6.8% in British Columbia.

Comparative figures by clearing house centres are as follows:

	June, 1937 $	June, 1936 $
Maritime Provinces—		
Halifax	31,702,369	35,121,997
Moncton	10,129,871	8,785,146
Saint John	17,102,542	17,737,082
Total—Maritime Provinces	58,934,782	61,644,225
Quebec—		
Montreal	803,563,574	847,692.219
Quebec	71,399,034	66,074,125
Sherbrooke	7,491,728	6,190,837
Total—Quebec	882,454,336	919,957,181
Ontario—		
Brantford	10,201,155	9,140,409
Chatham	8,297,009	8,646,309
Fort William	5,709,253	5,921,475
Hamilton	55,161,307	50,590,596
Kingston	6,742,091	5,845,072
Kitchener	11,560,477	11,900,233
London	36,437,816	41,506,087
Ottawa	108,222,045	154,842,359
Peterborough	9,124,933	5,937,543
Sarnia	7,299,728	6,260,367
Sudbury	7,292,939	6,585,337
Toronto	1,073,959,951	1,079,615,446
Windsor	41,286,781	36,806,932
Total—Ontario	1,381,295,485	1,423,598,165
Prairie Provinces—		
Brandon	2,366,935	2,477,810
Calgary	54,066,570	51,347,961
Edmonton	33,747,886	32,807,810
Lethbridge	3,648,794	3,887,677
Medicine Hat	1,992,138	2,096,194
Moose Jaw	5,266,742	5,846,194
Prince Albert	2,617,445	2,351,211
Saskatoon	10,395,285	10,027,648
Regina	35,650,724	27,556,683
Winnipeg	243,732,280	423,755,874
Total—Prairie Provinces	393,484,799	562,155,062
British Columbia—		
New W'minster	6,447,817	5,714,521
Vancouver	137,706,607	135,952,006
Victoria	31,592,798	26,548,189
Total—British Columbia	175,747,222	168,214,716
Total for Canada	2.891.916,624	3,135,569,349

COMMISSION HEAD

Antoine Lamarre, lawyer of Longueuil and Montreal, who has been appointed president of the Quebec Public Service Commission.

Bank of Canada Weekly Statement

Balance Sheet

	July 21 1937	July 14 1937
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	136,721,934	136,176,959
Rest fund	743,716	743,716
Depos.: Dominion	12,537,664	13,748,809
Banks	181,324,864	184,391,396
Other	652,678	559,567
Total deposits	194,515,206	198,699,772
All other liabs.	1,732,284	1,753,898
Total liabs.	343,813,140	347,474,345
Assets		
Reserve: Gold	181,442,905	181,498,643
Silver bullion	2,513,777	2,484,236
Res. in sterling and U. S.	16,639,007	18,881,318
Other curr.	1,168	1,230
Total reserve	200,596,857	202,865,427
Subsidiary coin	180,078	189,040
Investments:		
Dom. govt. short	34,098,574	34,084,359
Other Dom. govt.	95,380,398	96,692,229
Other secs.	10,007,225	10,009,715
Total invest.	139,486,197	140,786,303
Premises	583,452	583,284
All other assets	2,966,556	3,050,291
Total assets	343,813,140	347,474,345
Reserve ratio	60.55%	60.57%

British Savings

Depositors with the British Post Office Savings Bank increased their balances by some $2 millions in the year ended June 30, 1937, according to official figures of the postmaster general. Some 300,000 new depositors were added during the year. Deposits now amount to almost $2.3 billions with accounts numbering 10.5 millions. The average deposit is thus something about $215.

Life Insurance

Life Companies Cut Group Accident Rates

Reduction Reflects More Favorable Underwriting Experience

As a result of more favorable underwriting experience life insurance companies will revise premium rates on group accident and sickness policies throughout the Dominion on Aug. 1. In effect, the changes will mean reductions in the rates charged on popular plans with a slight increase on some of those more rarely used.

The new rates will be effective on policies issued after the above date. On existing policies they will become effective on the next renewal date. It is understood, however, that in some instances the reductions will be made on existing policies only where experience has shown that they are justified. Individual contracts will be considered, and if loss experience has not been favorable, the reductions will not apply, The Financial Post is informed.

Percentage changes vary with the different plans of insurance. On 13-weeks plan with benefits beginning on the fourth day, the reduction in cost is more than 7%.

Insurance company executives believe that the lower rates will result in an increase in sales volume in the remainder of this year. It is also believed that the companies' action will increase the demand for hospitalization coverage in combination with group accident and sickness cover. As pointed out by one of the companies, for groups with no loading, the premium is $1.02 a month for $10 weekly indemnity under the 13 weeks plan, with $2.50 a day hospitalization benefit for 70 days. This might be sold with the employees contributing $1 a month.

Further, a monthly premium of $1.10 is required for a $10 weekly indemnity under the 13 weeks plan with a $3 daily hospitalization for 70 days. This might be sold, it is pointed out, at a weekly cost to employees of 25 cents.

Confederation Assumes U. S. Life Business Here

Shareholders of Confederation Life Association have approved the agreement whereby that company will reinsure the Canadian business of the United States Life.

The U. S. Life secured a Dominion license back in 1873 but had not been active in this country for some time. At the end of last year it reported only 142 policies in force amounting to $453,905.

Insurance Inklings

M. W. FARLEY, formerly assistant secretary of Toronto branches of the London Life, has been transferred from Toronto Yonge to Toronto Bay office succeeding to the post of secretary of Toronto branches made vacant through the death of B. R. Modeland.

G. W. MORROW, formerly assistant branch secretary, Toronto Bay Street branch of the London Life has been transferred to Toronto Yonge as branch secretary succeeding Mr. Farley. J. F. Lawless, formerly of the policyholder's Service Division at head office has been transferred to the Toronto Bay Street staff. J. F. Kennedy, formerly a superintendent at Montreal N.D.G., has been appointed city manager of Winnipeg Royal District by the London Life.

M. K. KENNY has been appointed field supervisor of the Equitable Life Insurance Company. Mr. Kenny, who has had five years experience in the Investment Business and Executive Sales capacity, will assist in the expansion of the sales staff of the company.

M. P. LANGSTAFF has been appointed branch manager for Hamilton and district by the Continental Life.

E. M. McNIECE has been placed in charge of personnel of the Confederation Life Association.

Stocks Delisted

MONTREAL.—At the request of the company, the preference stock of Canada Paper Co. has been taken from the list of the Montreal Curb Market. Practically all the outstanding shares have been acquired by Howard Smith Paper Mills.

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1936 . . . £115,150,000
A. C. DAVIDSON, General Manager.
750 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
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Agency arrangements with Banks throughout Canada.

Are You Participating?

LAST year Northwestern Mutual distributed $1,143,727 in dividends to its policyholders. As a result the actual net cost of fire insurance on thousands of Canadian homes and businesses was substantially reduced.

Enquire of our Nearest Office.

BRANCHES:
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Ottawa
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St. John
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Edmonton
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NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-assessable Policies Assets $6,000,000

Fire and Casualty

No Actuarial Basis For Fire Premiums

Insurance Executive Questions Canadian Rating Methods — Finds Loss in Direct Proportion to Commercial Failures

By ARTHUR PEDOE, F.I.A., F.A.S.,
Actuary for Canada, Prudential Assurance Co. of London. Briefed from an address to the International Congress of Actuaries.

It must be admitted that no scheme for the rating of fire risks by actuarial or statistical methods has been put into force in Canada or the United States.

In countries where fire rates are very low, the problem may be unimportant so long as equity in a broad general sense, is carried out and the buyers of fire insurance satisfied. But in Canada where fire rates are so high and there is evidence of dissatisfaction by the public, the problem is one of importance. A proper system of rating will not make the underwriting any more automatic than it is at the present time but it will make for greater equity between different classes.

The problem of fire insurance rating is not to pretend to compute the rate on any property to the exact cent or even five cents, but to segregate insurable value into such classes and divisions that each class can be looked upon as a fairly homogeneous unit, to which the losses of that class can be apportioned. A risk in any city may form part of the total risks in that city and part of that class of risk throughout the country. If a grading system were adopted it should be possible to obtain a check on the equity of the rates charged from both angles.

The essential principle common to every form of insurance is that we can assume that year by year losses will vary about a mean and that any long-term trend will be fairly gradual. This allows an estimate of the cost for each unit of insurance which, in the aggregate, will suffice to pay losses and the expenses of operation and leave a margin of profit for the underwriter. Fire loss ratios in Canada vary about a mean and hence it is practicable to estimate the cost of fire insurance which over a number of years will distribute the losses among the insured. The cyclical nature of fluctuations in earned loss ratios in the Dominion in the past has been very striking. It appears that in this country, fire loss ratios vary directly with the number of commercial failures and inversely with the level of prices.

Officials of the Canadian Underwriters Association, making rates, do not include among their duties the compilation of a loss experience. They carry out the rating rules of the association and any application for revision is referred to a committee of the members. The rating system on which the association bases its rates is the Universal Mercantile system, which was drawn up by a large body of experts in the United States and first published in 1903.

Under this plan, the starting point in determining all rates is a standard building in a standard city which indicates a rate of 25 cents per $100 of insurance. In framing the schedule, the originator aimed to secure a rate on which "the fire cost of the past five years per $100 of insurance would result in such percentage of the premium as, with an allowance for proper expenses and also for accumulation for periodical and inevitable sweeping fires or conflagrations, would leave a margin for a moderate profit not exceeding 5%."

To determine the rate on a standard building in any city more that 30 possible deficiencies are examined, and where applicable additions to the 25 cent basic rate are made. The result of these additions is the key rate for a standard building in the city.

Criticism Growing

Increasing criticism of fire insurance rates and the challenge of unfair discrimination by insurers has been met by more detailed analysis of the fire insurance hazard. It appears open to question whether this has had the effect of making the system more reliable or more accurate. The success of schedule rating can only be determined by an examination of the experience, class by class; that is, a comparison of premiums charged and losses paid on the various classes of risk.

In Canada, only two sets of statistics are published giving the fire loss ratios of the companies according to the class of risk. One is by the Dominion Government, giving the ratio of losses incurred to net premiums written by provinces for each year. It is subdivided into 27 classes. For the purpose of calculating rates, these schedules are of little value. Even as an indication of the rating of risks in the aggregate they are of limited value. As the cost to the companies of supplying this material to the Dominion department would not be materially increased by a more detailed schedule of classification, it is unfortunate that a more extensive schedule is not used.

The other classification is published by Ontario, covering risks in that province. Examination of the ratios in the Ontario schedule indicates that there is definite evidence that the better type of fire risk is treated unfavorably as compared with the others in regard to rates. Further, when substantial classes show a fire loss ratio varying from 62% to 141% over two adjoining periods covering 10 years, one of which was a period of increasing economic activity and fairly stationary prices, one must seriously question the bases on which fire rates are calculated.

Weekly Bank Clearings

	July 22 1937 $	Change Year Ago %	July 15 1937 $
Halifax	2,714,044	+10.4	2,559,029
Saint John	2,064,015	+24.1	1,724,773
Moncton	856,296	+14.3	745,133
Sherbrooke	768,107	+41.0	726,206
Quebec	4,839,403	+29.9	5,072,086
Montreal	101,436,099	+11.9	93,796,986
Ottawa	15,224,033	+3.3	15,980,208
Kingston	605,834	+6.6	532,080
Toronto	109,670,902	+7.0	100,091,250
Hamilton	5,391,255	+22.6	5,097,356
Kitchener	1,135,854	+18.2	959,095
Brantford	897,179	+4.8	900,483
London	2,723,646	+4.0	2,720,404
Chatham	486,014	+34.1	535,727
Peterborough	648,628	+5.4	767,085
Windsor	3,250,652	+18.0	2,683,062
Sarnia	538,545	+6.3	437,525
Sudbury	917,151	+7.4	1,037,149
Fort William	718,041	—8.2	807,755
Winnipeg	37,690,125	—24.1	35,095,955
Brandon	308,034	—5.4	297,346
Moose Jaw	626,126	+17.8	576,392
Prince Albert	369,837	+6.0	345,174
Edmonton	3,948,474	+7.1	3,404,763
Calgary	6,282,783	+22.0	4,737,686
Medicine Hat	311,748	+6.9	197,739
Lethbridge	467,162	+13.8	421,632
Regina	2,933,950	+9.9	2,860,642
Saskatoon	1,310,444	—3.2	1,214,841
N. W'minster	666,615	+18.1	740,012
Vancouver	18,303,001	—3.6	16,548,604
Victoria	1,945,851	+11.5	1,743,076

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MARINE
CASUALTY
Losses Paid Since Organization of Company in 1833 over $76,299,000

1833 - 1937
CONTINUOUS GROWTH IN FINANCIAL STRENGTH AND PUBLIC PRESTIGE

THE
BRITISH AMERICA
ASSURANCE COMPANY
OF TORONTO
TORONTO - CANADA

Letter to the Father of a 21 Year Old Son

IF YOU are a wise father, you'll be honest with your son.

You'll tell him both sides of the argument between prohibitionists and those who believe in true temperance.

If you have brought him up in the British tradition, you can be sure he will want to know both sides.

Right now he is hearing from the prohibitionist, who is loudly crying that the beverage rooms are corrupting youth and debauching public morals.

You will do your son and yourself a favor if you set him straight.

Tell him what happened when we had prohibition. Tell him about secret drinking of bad liquor in automobiles and blind pigs. Tell him how it bred contempt for law . . . how bootleggers prospered and how racketeering and lawlessness grew.

Tell your son that people can't be made sober by law. Tell him that the way of tolerance and temperance is best.

Today, now in certain communities, men are trying to persuade us to extend local option laws, close beverage rooms.

The occasional drinker who indulges too freely . . . the few license holders who may not always adhere to the strict regulations of the Ontario Liquor Control Board, are being used as arguments against present conditions.

So tell your son the whole story. Tell him this . . . that properly conducted beverage rooms are the first defence against the bootlegger, the strongest weapon against excessive drinking.

Tell your son about true temperance — which is moderation and self-control.

This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 26

Range 1937 High	Low	Div R'te $	July 24 Y'ld %		Sales	Last July 19	Week end. July 26 H	L	Cl'se
				A					
15½	5¼	.	...	Abitibi	17435	7½	7½	5½	5½
80	41½	.	...	Do. pref. 6%	1345	60	60½	58	59
97	60	.	...	Do. pref. 7%	....	(— bid — asked)			
79½	41	.	...	Do. cert. dep.	50	59	59½	57½	57½
6½	4	10c	...	Acadia Sugar	....	(— bid 5 asked)			
18½	9½	50c	5.3	Acme Glove	95	9½	9½	9½	9½
94	75	6.50	8.7	Do. pref.	....	(75 bid 85 asked)			
12	8½	60+30c	..	Agnew Surp.	60	12	12	11½	11½
110	105	7	6.6	Do. pref.	....	(106 bid — asked)			
7	3	.	...	Alta. Pac. Gr.	20	3	3½	3½	3½
43½	15	.	...	Do. pref.	160	17	16	15	15
135	114	.	...	Aluminum	30	116	117	117	117½
130	130	6+7.75a	.	Do. pref.	....	(130 Mar. 19)			
7	4	.	...	Amal. Electric	....	(3 bid 5 asked)			
31	26	.	...	Do. pref.	20	30	30	30	30
35½	29½	15c	...	Amer. Cyn. B.	....	(— bid 35 asked)			
122½	78	.	...	Asbestos	339	88	89	87	87½
16	11	80c	5.4	Assoc. Brew.	410	15	14½	14½	14½
110½	106	7	6.4	Do. pref.	....	(110 bid — asked)			
6½	6½	.	...	Assoc. T. & T. A.	....	(— bid 6½ asked)			
57	51	42c	...	Do. pref.	....	(— bid 46 asked)			
102½	100	5.50	5.5	Ault & Wiborg pf.	....	(100 bid 102 asked)			
				B					
60	57	2.25	3.8	Bank of Canada	140	58½	60	58½	60
161	143	8	5	Bk. Can. Nat.	7	161	160	159½	160
245	219	8	3.5	Bk. Montreal	118	225	228	224	228
340	305	12	3.6	Bk. N. Scotia	58	323	330	326	330
273	246	10	4	Bk. Toronto	5	255	252	252	252
8	6	.	...	Barcelona	....	(4 bid 7½ asked)			
15	10½	96c	7.8	Barker's Bread	50	12	12½	12	12
48	43½	2.50	5.7	Do. pref.	....	(— bid 48 asked)			
24½	17	.	...	Bathurst Pr.	7112	20½	21½	20	21½
12½	6½	.	...	Do. (B)	1017	9	9½	9	9½
5½	1½	.	...	Bawlf Grain	30	2	1½	1½	1½
38	25	.	...	Do. pref.	....	(— bid 27½ asked)			
10	4	.	...	Beath & Sons	....	(4½ bid 5½ asked)			
21½	14½	.	...	Beatty Bros. A.	55	17½	18	17	18
112	100	6	5.7	Do. pref.	30	105	106	106	106
105	99	7	7.1	Do. pref.	5	100	99	99	99
10	5	.	...	Beauharnois	5196	8½	9	8	8½
107	100	4	3.8	Belding Cort.	....	(— bid 107 asked)			
130	123½	7	5.6	Do. pref.	....	(125 bid — asked)			
178	154	8	4.7	Bell Telephone	1128	168	169½	168	169
16½	10	25c	...	Biltmore Hats	25	12½	13	13	13
110	109½	7	6.4	Do. pref.	....	(110 bid — asked)			
13	8½	.	...	Bissell, T. E.	....	(7 bid 15 asked)			
70	45	.	...	Do. pref.	5	58	58	58	58
6½	4	.	...	Blue Ribbon	5	4	4½	4½	4½
40	35	2	5.6	Do. pref.	20	36	36	36	36
29½	14½	1.30	5.3	Brant, Cord. pf.	190	25	25	25	25½
30½	18½	90c	...	Brazilian Tr.	11307	26	26	25	25½
9½	6	1.40+10c	.	Brew. & Distil	35	7	7	7	7
6½	6	30c	4.6	Bright, T. G.	....	(6 bid 11 asked)			
82	75½	6		Do. pref.	....	(72 bid — asked)			
26½	21½	1+20c	5.1	Brit. Amer. Oil	4398	23½	23½	23½	23½
22	16		...	B. C. Packers	16	18	18	18	18
39½	34	1.80	5.1	B. C. Power A.	345	35	36	34½	35½
11½	7	.	...	Do. (B)	45	8½	8½	8	8
12	5		...	Bruck S. Mills.	225	6½	6	5½	6
74½	56½	1.40+50c.		Building Prod.	405	60	62½	60	62½
18	14½	70c	...	Burlington Steel	120	17½	18	17½	18
8	5	25c	...	Burry Biscuit	25	5	5	5	5
60	50	3	6	Do. pref.	....	(— bid 55 asked)			
44½	39	2	4.9	Burt, F. N.	285	41	41	41	41
				C					
105	100		...	Calgary Power	....	(100 bid — asked)			
97	79	6	6.7	Do. pref.	....	(— bid 88½ asked)			
10½	6½	.	...	Canada Bread	15	6½	6½	6½	6½
103½	99½	5	5	Do. pref.	....	(100 bid 101 asked)			
59½	50	2.50+12½c		Do. pref. B	13	52	52½	52	52½
10½	8	40c	...	Canada Bud	465	8½	8½	8	8½
23	14½	.	...	Canada Cement	1366	15½	16½	15½	15½
111	102	2	...	Do. pref.	1325	105	109	106	106
73½	60	1.50+1	3.4	C. & D. Sugar	155	71½	73½	73½	73½
b38½	23½	.	...	Canada Dry	21400	26½	27½	24½	25
20½	16	.	...	Can. Forg. (A)	....	(— bid 18 asked)			
18	14	.	...	Do. (B)	25	16	16	16	16
31	30	.	...	Can. Iron	....	(34 bid — asked)			
72	66½	5	7.2	Do. pref.	....	(74 bid — asked)			
39	34	1.50+50	5.4	Can. Malting	60	38	37½	37	37
29½	20	1.20	5.5	Can. Nor. Pr.	125	22	21½	21	21
112	108	7	6.2	Do. pref.	5	109	112	110	112
98	82	3	3.4	Can. Packers	10	84½	88	88	88
7	1½	.	...	Can. Paving, pf.	....	(1½ bid 6 asked)			
160	146	8	5	Can. Perman.	10	155	160	155	160
25	25	.	...	Can. Starch	....	(30 bid — asked)			
105	105	7	6.7	Do. pref.	....	(105 bid — asked)			
7	2	.	...	Can. Steamsh's	435	3	3	2	2
18½	9	.	...	Do. pref.	674	10	10½	9	9
21	17	1.20	6.9	Can. Vinegars	120	17½	17½	17½	17½
75	50	.	...	Can. W. Cable	130	60	67½	65	67½
31	19		...	Do. (B)	271	25	25½	24½	25½
118	114	2a	...	Do. pref.	....	(116 Apr. 13)			
6½	4	.	...	Can. Bakeries	....	(4 bid 8 asked)			
73	57	.	...	Do. pref.	....	(50 bid 59½ asked)			
211	182½	8	4.3	Can. Bk. Com.	186	184	187	182½	186
4	2½	.	...	Can. Breweries	1785	2½	3	2½	2½
21½	14½	2	9	Do. pref.	110	21	21½	20½	21½
61½	46½	1.50+75c.		Can. Bronze	25	50	47½	47½	47½
110	104	5	4.5	Do. pref.	....	(107½ bid — asked)			
9½	7½	.	...	Can. Canners	24	8½	8½	8½	8½
20½	18½	1	5.1	Do. 1st pfd.	60	19½	19½	19½	19½
12½	10	15c	...	Do. 2nd pfd.	205	11½	12	11½	11½
21½	13½	.	...	Can. Car. & F'y	1125	15	15	14½	14½
32	23	.	...	Do. pref.	1350	25½	25½	25½	25½
31	23	1.60	6.4	Can. Celanese	645	23½	25½	24½	24½
126	116	7	6	Do. pref.	21	116	117	116	117
22	21	.	...	Do. rights	....	(21 bid — asked)			
32	19	.	...	Can. Convert.	5	19	19	19	19
90	65½	4	4.4	Can. Cottons	71	85	90	90	90
109½	105	6	5.5	Do. pref.	5	108½	109½	109½	109½
47	38	2+1	7.3	Can. Dredge	5	41	41½	41½	41½
101	101	6	5.9	Can. Fairb. p.	....	(101 bid — asked)			
33	23	1.60+40c		Can. For. Inv.	60	24½	26	26	26
107	105	8	7.6	Do. pref.	....	(105 bid — asked)			
240	203½	6	2.9	Can. Gen. Elec.	....	(208 bid 225 asked)			
12	9½	50c	...	Can. G. Inv.	10	9½	10½	10½	10½
89	71	.	...	Can. Hyd. E. p.	1148	86	87½	86	86
8½	4½	.	...	Can. Ind. Alc.	1860	6½	6½	5	6½
7½	4	.	...	Do. (B)	1185	4½	5	4½	4½
249	235	6	...	Can. Indust. B.	....	(239 bid 240 asked)			
160	153	7	4.6	Do. pref.	....	(159 bid 161 asked)			
5	2	.	...	Can. Int. I. Tr.	10	2	2	2	2
99	93	3.75	...	Do. pref.	5	95	93½	93½	93½
21	17	1	5.9	Can. Lt. & Pr.	....	(— bid 20 asked)			
23½	12	.	...	Can. Locomo.	180	13½	13½	12	12½
3½	1½	.	...	Can. Marconi	2225	2	2	1½	1½
19	10	50c	5	Can. Oil	103	13½	14½	10	10
135	115	8	6.9	Do. pref.	190	116	116	116	116
17½	11½	.	...	Can. Pacific	6234	11½	11½	11½	11½
7½	1	.	...	C. Pr. & Pa. In.	3	3	2	1	1
27½	18	.	...	Do. pref.	....	(18 bid 21 asked)			
16	7	.	...	Can. Vickers	20	7½	9	8	8½
65	39	.	...	Do. pref.	....	(— bid 42 asked)			
25	25	1	...	C. Wallpaper, A	....	(— bid 25 asked)			
27½	24	1	...	Do. (B)	....	(— bid 25 asked)			
67	66	2	3	Can. West'ho'se	....	(67 July 13)			
4	1½	.	...	Can. Wineries	170	2½	2	1½	2
25	22	2.12½	...	Can. Wire Box.	110	23	23½	23½	23½
9½	6½	.	...	Capital Estates.	379	6½	7	6½	6½
107	100	5	4.9	Carnation, pfd.	20	104½	102	102	102
11½	6½	25c	...	Catelli Food	....	(5 bid 8 asked)			
11½	10	38c	...	Do. pref.	....	(10 bid 12 asked)			
3	1½	.	...	Celtic Knit.	....	(1½ bid — asked)			
175	175	8	4.6	Cent. Can. L'n.	....	160½ bid 175 asked			
1.44	.65	.	...	Chem. Research	6950	.80	1.00	.65	.95
2.50	.70	.	...	City Gas & El.	....	(.65 bid — asked)			
.80	.30	.	...	Claude Neon	300	.35	.35	.30	.30
14½	12½	1.08	8.2	Coast Brew.	160	13½	13½	13	13
22½	13½	.	...	Cockshutt Plow	1545	14½	15½	14	15
4	1½	.	...	Comm. Alcohol.	300	2	2	1½	1½
4½	3½	.	...	Do. pref.	....	(3½ bid 4 asked)			
23	20	$1+20c	..	Cons. Bakeries	45	20½	20½	20½	20½
24½	10½	.	...	Cons. Paper	7830	17½	18	17	17½
22	12½	25c	...	Cons. Press	135	19	18½	17	17
60	47		...	Cons. Sand, pf.	....	(47 bid 60 asked)			
100½	72	50c+$1	..	Cons. Smelters	3206	80½	82½	80	80½
211	199½	10	4.9	Consumers' Gas	140	200	202	200	201
95½	89	7	7.5	Corr. P. Box, p.	15	93	93	91	91
27½	22	1	3.8	Cosmos Imp.	120	25	26	25	26
105½	103½	5	4.8	Do. pref.	....	(103½ bid — asked)			
22	18	80c	4	Crown Cork	....	(19 bid — asked)			
2½	1½	.	...	Crown Dom. Oil	....	(2 bid 2½ asked)			
80	40	3	...	Crow's N. Coal.	....	(45 bid 48 asked)			
				D					
5½	4	.	...	David & Fre. A.	....	(3½ bid — asked)			
†1.25	.50	.	...	Do. (B)	....	(— bid 1.35 asked)			
22½	15	.	...	De Havilland	....	(— bid 18½ asked)			
83	65	.	...	Do. pref.	....	(— bid 80 asked)			
10	5	.	...	Disher Steel	....	(4 bid 5 asked)			
18½	15½	.	...	Do. pref.	1	16½	15½	15½	15½
29	20	.	...	Distill.-Seagram.	2720	23	23½	22	23½
94½	92½	5	5.4	Do. pref.	....	(— bid 95 asked)			
..	..	.	...	Dom. Ang. Inv.	....	(90 bid — asked)			
95	95	5+2.50a	.	Do. pref.	....	(90 bid — asked)			
250	215	10	4.6	Dom. Bank	9	215	220	219	219
58½	47	1.20	2.4	Dom. Bridge	710	49	50½	48½	49½
24	19	1.50	7.1	Dom. Coal, pf.	742	20½	21	19	20½
73	59	.	...	Dom. Engineer	....	(61 bid 63 asked)			
40	29	25c	...	Dom. Foundries	....	(39 bid 40 asked)			
99	97½	6	6.2	Do. pref.	....	(97½ July 8)			
118	110	5	4.3	Dom. Glass	106	113	115	115	115
153	140	7	5	Do. pref.	....	(140 bid 145 asked)			
43½	40	.	...	Dom. Oilcloth	....	(39½ bid — asked)			
105	105	7	6.7	Dom. Rubber, p.	....	(99 bid — asked)			
5	3½	.	...	Dom. Scot. Inv.	....	(3½ bid 4½ asked)			
44	38	2a	...	Do. pref.	....	(39 bid — asked)			
28½	12½	.	...	Dom. St. & C.B.	7790	23½	22½	22½	22½
12½	9	.	...	Dom. Stores	2580	9½	9½	9	9
13½	12	.	...	Dom. Tar & Ch.	880	13	13	12½	13
86	86	5.50	6.4	Do. pref. new	....	(86 July 16)			
85½	73	5	5.9	Dom. Textile	656	81	85½	82½	84½
149	140	7	4.9	Do. pref.	60	143	142	140	140
19½	13½	.	...	Donnacona P.A.	975	15½	16½	15½	15½
19	13½	.	...	Do. (B)	315	15	16½	15	15½
20	13½	.	...	Dryden Paper	575	16½	16½	16½	16½
				E					
7	2	.	...	East. Koot. Pr.	....	(2 bid — asked)			
36	11	.	...	Do. pref.	5	11	13	13	13
5	1½	.	...	East. Dairies	....	(1½ bid 2½ asked)			
30	8½	.	...	Do. pref.	....	(11 bid 12 asked)			
24	18½	.	...	East. Steel	....	(18½ bid 19 asked)			
110	106	7	6.6	Do. pref.	....	(106 bid 110 asked)			
60	60	7	11.7	East. Theat. pf.	....	(56½ bid 70 asked)			
9½	4½		...	Easy Washing	105	5½	6	5½	5½
39	34	1.37½	...	Economic Inv.	1	37½	35½	35½	35½
24	17	1.60+10c.		Electrolux	395	17½	17½	17	17
8½	4½	.	...	Enam. & Heat.	....	(5 bid 7 asked)			
40	30	62½c	...	English Electric	355	39½	40	39	39
16½	10	.	...	Do. (B)	225	14	14½	14	14
7	5	.	...	Equitable Life	....	(5½ bid 6 asked)			
10½	7½	30c	...	European El. A.	200	9½	7½	7½	7½
.65	.65	.	...	Do. Warrants	....	(.15 bid — asked)			
				F					
13	8	.	...	Fairchild Air	1020	10	10	9½	9½
35	24	.	...	Fam. Players	....	(20 bid — asked)			
34	25	.	...	Do. Vot. Tr.	....	(22 bid — asked)			
25½	19	25c	...	Fanny Farmer	25410	24½	25	24½	24½
10½	10	.	...	Fleet Aircraft	15	10½	10½	10½	10½
29½	21½	1	4.2	Ford Motors A.	1517	24½	24½	23½	23½
2½	1	.	...	For. Pr. Secs.	23	1	1	1	1
31	23	.	...	Foundation Co.	220	23½	24½	23½	24
50	29	.	...	Fraser Cos.	776	45½	46½	43	43
50	29½	.	...	Do. Vot. Tr.	9185	46	48	43½	44½
52	44	.	...	Freiman, pf.	100	45	45	45	45
11	6	.	...	Frost Steel	1510	7	8	7	7
107	100½	7	6.9	Do. pref.	1	102½	102	102	102
48	40	.	...	Do. pref. A.	....	(45½ May 17)			
				G					
18½	8	.	...	Gen. St. Wares.	330	14	13½	13½	13½
110	76			Do. pref.	25	93	90½	90½	90½
94½	82	2.50+2.50		Goodyear Tire	90	92	94½	93	93
57	53	2.50	4.7	Do. pref.	46	54½	54½	53	53
26½	13½		...	Gt. Lakes Pap.	178	20½	21	20½	21
51	33	.	...	Do. pref.	626	41	43	41½	43
3½	1½	.	...	Gt. W. Saddlery	....	(1½ bid 1½ asked)			
40	29½		...	Do. pref.	....	(— bid 35 asked)			
15½	7½	20c	...	Gurd. Chas.	70	11½	11½	11½	11½
105	95	7	6.7	Do. pref.	....	(101 bid — asked)			
18½	11½	.	...	Gypsum, Lime	2409	13½	14½	13½	14
				H					
18½	11½	.	...	Ham. Bridge	215	15	15	14½	14½
90½	63			Do. pref.	10	80½	80	80	80
40½	30	2+50ca	6.3	Ham. Cot., pf.	20	33	33	33	33
3½	2		..	Ham. U. Theat.	25	3	2	2	2
69	58½	5	8.3	Do. pref.	....	(60 bid 70 asked)			
7	4½	20c	...	Harding Carpet.	155	5½	5½	5½	5½
5	5	.	...	Hillcrest Coll.	....	(2½ bid — asked)			
25	15	.	...	Do. pref.	....	(20 bid — asked)			
22½	19	1	4.9	Hinde & Dauch	475	20½	20½	20½	20½
18	14	.	...	Holt Renfrew	....	(14 bid 16 asked)			
74	56	.	...	Do. pref.	....	(70 bid 75 asked)			
1.75	.50	.	...	Honey Dew	....	(.60 bid .75 asked)			
15	8	.	...	Do. pref.	....	(10 bid 12 asked)			
34½	18½	.	...	H. Smith Pap.	490	30½	30½	30	30½
106	99½	6	5.7	Do. pref.	150	106	106	105	105
32½	28	2	6.4	Humberstone S.	45	30½	31	30½	30½
19	11½	.	...	Hunts (A)	....	(12½ bid 13 asked)			
18	12		...	Do. (B)	....	(13½ bid — asked)			
95	72	5	6.1	Huron & E. Mt.	57	82	83	80	82
15½	11	.	...	Do. 20% pd.	....	(12 bid 14 asked)			
13½	8½	.	...	Hydro Electric.	....	(8 bid 9 asked)			
				I					
251½	220	10	4.5	Imperial Bank.	7	220	220	220	220
24½	20	50+75c	6	Imperial Oil	8108	20½	21	20½	20½
15½	13½	40+22½c		Imperial Tob.	4110	14½	14½	14½	14½
7½	7	6%		Do. pref.	15	7½	7½	7½	7½
38½	33	1.50	4.2	Indust. Accept.	627	36	36½	35½	36
39½	32	1	...	Inter-City Bak.	....	(32 bid 35 asked)			
46	37½	5+2	...	Inter'c Coal	25	40½	40	40	40
130	130	8	6.2	Do. pref.	....	(— bid 135 asked)			
†.20	.20	.	...	Int. Coal & C.	....	(.10 bid .25 asked)			
b16½	8½	.	...	Int. Hyd. E. A.	42900	12½	14	12½	13½
18½	11	.	...	Int. Metal Ind.	50	14	14½	14½	14½
108	90½	.	...	Do. pref.	10	95	97	97	97
105	97	5	5	Int. Mill., pf.	10	97	99½	99½	99½
73½	54	2	3.1	Int. Nickel	17437	63½	65½	63½	64½
11	5	.	...	Int. Paints	50	5	6	6	6
20	18	.	...	Do. pref.	....	(18 bid 19 asked)			
b24½	16½	.	...	Int. Pa. & P. A.	2300	17	17½	17	17½
b18	10½	.	...	Do. (B)	1300	12½	13	12½	12½
b9½	5½	.	...	Do. (C)	6300	6½	7	6½	6½
b121½	90½	.	...	Do. pref.	5815	97½	103	99½	100
39½	33½	1.50+1	7.2	Int. Pete.	4848	34½	35½	34½	35
12½	4½	.	...	Int. Power	....	(5 bid 7 asked)			
98	85	6	6.8	Do. pref.	151	85	89	85	89
†15½	13	1.12	...	Int. St. Rly. A.	....	(16½ bid 18 asked)			
21½	15½	.	...	Int. Util. (A)	300	16½	18	16½	18
3.12	1.00	.	...	Do. (B)	2525	1.75	1.80	1.50	1.80
				J					
38	34½	1.75	...	Jam. Pub. Ser.	....	(37 bid — asked)			
132	130	7	5.4	Do. pref.	....	(130 bid — asked)			
				K					
39	26	.	...	Kelvinator	100	32	31½	31½	31½
108	106½	7	6.6	Do. pref.	....	106½ bid 107½ asked			
				L					
67	67	.	...	L. St. John Pr.	10	67	67	67	67
43½	28	.	...	Lake of Woods.	830	29	30	28	30
156	143	7	4.6	Do. pref.	....	(— bid 153 asked)			
75	55½	5	7.3	Landed Bank	....	(— bid 69 asked)			
22	15½	70c	3.7	Lang, J. A.	10	19	19	19	19
6	4½		...	Langley's	....	(— bid 5 asked)			
65	50	.	...	Do. pref.	....	(47 bid 50 asked)			
77	66	3	4.3	Laura Secord	20	70	69½	69	69
15	8	.	...	Lindsay, C. W.	....	(8½ bid — asked)			
78	66		...	Do. pref.	22	71	71	71	71
25½	23	1+12½c	.	Loblaw (A)	1485	24½	25½	24½	25
23½	21	1+12½c	.	Do. (B)	428	23½	23½	23	23
				M					
1.80	1.25	.	...	Mackenzie Air.	1375	1.60	1.65	1.60	1.60
9	9	.	...	MacKin. Steel	....	(9 July 7)			
64	60		...	Do. pref.	....	(— bid 70 asked)			
37½	27	.	...	Maclaren Pr. p.	910	33	34	33	33
4	3	.	...	M. L. Gardens.	10	2	4	4	4
5	2½		...	Do. pref.	....	(4 bid 4½ asked)			
11	4	.	...	Maple Leaf	22	6	6½	6	6
12½	5		...	Do. pref.	12	6½	6½	6½	6½
17	15½	80+10c.	.	Maritime Tele.	....	(15 June 25)			
16½	16	70c	...	Do. pref.	....	(16 June 25)			
†18	13		...	Marcus Loew's.	....	(— bid 20 asked)			
125	120	5.25a	...	Do. pref.	....	(120 bid — asked)			
16½	8½	.	...	Massey-Harris	1034	11½	11	10½	10½
74	52½			Do. pref.	170	55½	56	55	55
15	8½	40c	3.3	McColl Fron.	2160	11½	12	11½	12
101	86½	6	6.6	Do. pref.	234	91½	91½	91	91½
8	1½		...	Melchers	....	(2 bid 3 asked)			
9½	5½	30c	...	Do. pref.	685	6½	6½	6	6½
2	1½	.	...	Mercury Mills.	....	(2 bid 10 asked)			
40	20		...	Do. pref.	15	25	26	26	26
50	49	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(111 bid — asked)			
30	19	.	...	Mitchell, Robt.	283	22	22½	21½	22
5½	4½	.	...	Monarch Knit.	....	(4½ bid — asked)			
86	60	7	11.7	Do. pref.	....	(60 bid 63 asked)			
48	36	2	4.2	Montreal Cot.	....	(48 bid — asked)			
110	104	7	6.7	Do. pref.	....	(104½ bid — asked)			
2	1		...	Mont. Is. Pr.	....	(— bid 2 asked)			
37½	29	1.50	4.6	Mont. L. & Pr.	3766	32½	33	32	33
31	28	2	6.7	Montreal Loan.	....	(30 bid — asked)			
17	13	1	...	Mtl. Refrig. pf.	....	(16½ bid — asked)			
2	1½			Do. Vot. Tr.	....	(2 bid — asked)			
65	57	3.20	5.1	Montreal Tele.	25	57	62	62	62
102	80	9	10.2	Montreal Trams	10	88	88	88	88
45	41	1.60	3.6	Moore Corp.	358	43½	44	42½	44
190	172	7	4	Do. pref. (A)	100	180	172	172	172
267	250	7	2.8	Do. pref. (B)	....	(256 bid — asked)			
1.25	60	.	...	Muirheads	....	(.75 bid .85 asked)			
5½	5	.	....	Do. pref.	....	(5½ June 22)			
				N					
42½	37½	2	4.8	Nat. Breweries.	1488	41	41½	41	41½
43½	39	1.75	4.4	Do. pref.	....	(— bid — asked)			
11	8½	.	...	Nat. Grocers	315	9½	9½	9	9
140	132	7+5.25a	.	Do. pref.	....	(130 bid 138 asked)			
21½	17	.	...	N. Sew. Pipe A	10	19½	19	19	19
57½	39½		...	Nat. Steel Car.	670	49	49	47½	47½
210	201	8	3.9	National Tr.	10	201	207	207	207
54	40	2	4.5	Niag. W. Weav.	200	43	44	43	44
4	1	.	...	North Star Oil.	160	1½	1½	1½	1½
4½	3½	25c	...	Do. pref.	60	3½	3½	3½	3½
97½	96	5	5.2	N. S. L. & Pr.	....	(— bid 96 asked)			
105	97½	6	5.8	Do. pref.	....	(103½ bid — asked)			
37	9½		...	N. S. Steel, pf.	....	(— bid 20 asked)			
				O					
300	235	8	3.3	Ogilvie Flour	30	241	243	236	236
168	150	7	4.4	Do. pref.	40	158	158	157	158
112	106	5	4.5	Ontario Loan	83	110	110	110	110
7½	4½		...	Ont. Silknit	....	(— bid 8 asked)			
71	64	7	10.9	Do. pref.	....	(— bid 58 asked)			
18½	15		..	Ont. Steel	345	16	17½	16	17
115	114	7+23.25a.		Do. pref.	....	(108 bid — asked)			
3½	1½	.	...	Orange Crush	30	2	2½	2½	2½
10	5½	.	...	Do. pref.	....	(6½ bid 8 asked)			
30	30	.	...	Ottawa Car	....	(30 bid — asked)			
100	86½	6	6.7	Ott. L. H. & Pr.	25	86½	90	86½	86½
105	102	5	4.8	Do. pref.	....	(101 bid 103 asked)			
23½	19½	2	10	Ott. Traction	....	(22½ bid — asked)			
				P					
110	96	2.75+25c.		Page Hersey	199	103	105	103	105
9½	5½	.	...	Pantepec Oil	475	8½	8½	8½	8½
20	13	.	...	Paton Mfg.	....	(10 bid 24 asked)			
†110	100	7	...	Do. pref.	....	(110 Nov. 7, '36)			
63½	58	3	4.8	Penmans	110	62	62½	62	62
130	125	6	4.8	Do. pref.	....	(128 July 14)			
26½	21	1	4.5	Photo Eng.	....	(22½ bid 24 asked)			
102	96	7	6.9	Porto Rico Pr. p	....	(100½ bid — asked)			
33½	18	25c	...	Power Corp.	1014	21½	22½	21½	22
108	99	6	6	Do. pref.	5	99½	100	100	100
3½	2	.	...	Prairie C. Oil	....	(— bid 2 asked)			
36	27	1	...	Pressed Metals.	243	30½	32	30	31
53	25	.	...	Price Bros.	1057	40	41½	40	40
79	64½	.	...	Do. pref.	590	67½	68½	67	68
				Q					
25½	17	1	5.5	Quebec Power	525	17½	18½	18	18½
4½	4	.	...	Que. Telephone	....	(4½ bid 5 asked)			
				R					
58	40	2	5	Real Estate L'n.	....	(— bid 90 asked)			
11	8	.	...	Regent Knit	197	9½	10½	10	10
23½	19	1.60	6.7	Do. pref.	....	(24 bid 24½ asked)			
4	2	.	...	Reinhardt Brew.	....	(2½ bid 3 asked)			
14½	8	.	...	Reliance Grain.	....	(— bid 10 asked)			
29½	23	55+15c	.	Remington R'd.	....	(26 bid 26½ asked)			
33	30	2	6.7	River. S. Mills.	65	31½	31½	30	30
8½	4½	.	...	Rogers Majest.	225	6½	6½	6½	6½
31	26	1	...	Rolland Pap.	....	(— bid 27½ asked)			
33	25			Do. Vot. Trust	....	(— bid 28½ asked)			
106½	102½	6	5.8	Do. pref.	....	(104 July 16)			
11½	7½	25c	...	Root Petroleum	200	11½	7½	7½	7½
227	197½	8	4	Royal Bank	573	201	200	197½	199½
78	56	2.75	...	Russell Motor	....	(70 bid — asked)			
118	110	7	6.3	Do. pref.	10	112	111	111	111
				S					
103½	98½	5.50	5.3	Saguenay Pr. p.	35	102½	103	102½	103
22	13	.	...	Sarnia Br. (A)	120	15	16	15	15
16	7	.	...	Do. (B)	....	(7½ bid 14 asked)			
34	25½	80c	2.8	Shawinigan Pr.	2865	26½	28½	27	28½
30	23	.	...	Sher. Wms.	235	24	24½	24	24
131	115	7	6.1	Do. pref.	....	(115 bid 127 asked)			
16	13½	.	...	Simon & Son	35	14½	14½	14½	14½
110	100	10.50	...	Do. pref.	5	104	110	110	110
110	95	5	5.2	Simpson, pf.	190	98	100	96½	100
33	20			Do. (A)	....	(— bid 24½ asked)			
17	6½	.	...	Do. (B)	6	7½	7½	7½	7½
122	109	6	5	Simpson, R., pf.	....	(112 bid 120 asked)			
18½	12	80c	5.7	So. Can. Pr.	120	12½	14	13½	13½
108	104	6	5.7	Do. pref.	39	106	106	105	105
15½	8½	.	...	St. Law. Corp.	2151	12½	13	12½	12½
39½	25			Do. (A)	575	30	34½	34	34
25½	22	1	4	St. Law. Flour.	....	(24½ bid 25½ asked)			
145	140	7	5	Do. pref.	....	(— bid 140 asked)			
97	68	.	...	St. Law. Pap. p	1755	88	90½	88½	90½
15½	10	.	...	Stand. Chem.	20	12½	14	14	14
14½	8	.	...	Stand. Clay	....	(— bid 14½ asked)			
8½	4½	.	...	St. Pav. & Mat.	380	5½	5½	5	5
56	30	.	...	Do. pref.	4	32½	33	33	33
49½	40	3+2.25a	.	Stand. Steel, p.	....	(40 bid 42 asked)			
96½	77	1.75‡	2.1	Steel of Can.	291	84	84	82½	82½
88½	71	1.75	2.2	Do. pref.	18	78	77	76	76
5	3½	.	...	Sterling Coal	....	(5 bid 6 asked)			
3½	1			Stop & Shop	150	1½	1½	1½	1½
17	15½	80c	5.2	Stuart, D. A. pf.	....	(— bid 16 asked)			
3½	3	.	...	Supersilk H.	....	(3 bid — asked)			
85	80	2.50	...	Do. pref.	....	(— bid 85 asked)			
39	33½	1+25c	3.4	Sup. Pete, ord.	....	(36½ bid 37½ asked)			
36	33	1+25c	3.5	Do. com.	....	(35 bid 49 asked)			
				T					
16½	15½	80c	4.9	Tamblyn	456	16½	16½	16½	16½
54	52	2.50	4.7	Do. pref.	....	(52½ bid — asked)			
2½	1½			Thayers	....	(2 bid 2½ asked)			
25	16½	2.50	...	Do. pref.	....	(19 bid 23½ asked)			
2	1			Thrift Stores	....	(— bid 1 asked)			
8	5	.	...	Do. pref.	....	(— bid 6 asked)			
14½	10	60c	4.3	Tip Top Tailors	20	14½	14½	14½	14½
110	104	7	6.4	Do. pref.	42	110	108½	109	109
6	2			Tooke Bros	....	(3 bid — asked)			
34½	20		...	Do. pref.	....	(17 bid 25 asked)			
46	30	1	3.3	Tor. Elevators	75	31	30	30	30
52	47	66c	...	Do. pref.	110	50	50½	50	50
110	86½	4	4	Tor. Gen. Tr.	7	100	99	99	99
126	120	6	4.8	Toronto Mtge	....	(120 bid 125 asked)			
160	150	7	4.6	Tuckett Tob. p.	....	148½ bid 159 asked			
18	9½	.	...	Twin City	....	(— bid 12 asked)			
				U					
19	13	27½c	...	Union Gas	1845	15½	15½	15	15
28	20	6.c	...	Un. Amuse. A.	....	(22½ bid — asked)			
27	24	60c	...	Do. (B)	....	(— bid 30 asked)			
1.15	65			United Distill.	1000	.85	.95	.95	.95
62½	46	3a	...	United Fuel, pf.	770	51½	53½	50½	52
25	15½	2	12.1	United Secs.	15	16½	16½	16½	16½
11½	6	.	...	United Steel	1035	7½	8	7½	7½
				V					
8	2	.	...	Viau Bisc.	30	3	3	3	3
60	50	5	10	Do. pref.	....	(— bid 50 asked)			
				W					
35	20	1+25c	3.9	Wabasso Cot.	....	(28½ bid 31 asked)			
51½	42	2	4	Walker-Good.	5742	50½	50½	49½	50
20	18½	1	5.1	Do. pref.	1858	19½	19½	19½	19½
3½	1½	.	...	Walkerville Br.	145	2	2	2	2
5	2	.	...	Waterloo Mfg.	50	2½	2½	2½	2½
12	5	.	...	West. C. Flour.	15	5½	5½	5½	5½
90	52	.	...	Do. pref.	....	(50 bid 55 asked)			
71	65	3	4.3	West. Grocers	16	70	70	70	70
125	115½	7	5.8	Do. pref.	....	(120 bid 125 asked)			
18½	14	80+10c.	.	Weston Ltd.	565	14½	15	14½	15
106½	99	5	5	Do. pref.	55	100	99½	99	99
8	4		...	Windsor Hotel	....	(4 bid — asked)			
23	10	.	...	Do. pref.	....	(10 bid 15 asked)			
10½	3	.	...	Winnipeg El. A.	355	4½	4½	3½	4½
10	3	.	...	Do. (B)	1930	4½	4½	4½	4½
44	23	.	...	Do. pref.	5	30	25	25	25
75	53	3.50a	...	Wood, A. & J. p	5	70	75	75	75
85	70	.	...	Woods Mfg. pf.	39	70	70	70	70
				Z					
7½	3½	.	...	Zimmerknit, c.	....	(5½ bid 5½ asked)			

† 1936.

a On account of arrears.

b New York quotations.

‡ Plus extra of $2 paid Feb. 1, 1937.

* Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.

Mining Stock Quotations

WEEK ENDED JULY 26, 1937

Par Val.	Range 1937 High	Low	Company	Sales	Close July 19 (or last)	High for week	Low for week	Close July 26
1	.10½	.03	Afton	7,000	.04	.04	.03½	.04
No	1.90	.73	Aldermac	40,317	1.12	1.20	1.10	1.10
1	.04½	.01	Alexandria	10,900	.02½	.02½	.02	.02
No	8.75	5.00	Anglo-Huronian	908	5.75	5.95	5.55	5.95
1	1.42	.36	Argosy	13,900	.40	.42	.40	.40
1	1.42	.33	Arntfield	2,820	.40	.40	.33	.33
No	.09	.02½	Arno	3,300	.03	.03½	.02½	.03
1	.15	.07½	Ashley	9,800	.07½	.08	.07½	.08
1	.27	.06½	Astoria Rouyn	20,100	.09	.09½	.08	.08½
50c.	.16	.07	Aztec	3,000	.07	.08	.08	.08
1	.36	.16	Bagamac	8,150	.20½	.24½	.19	.24½
1	1.85	.64	Bankfield	27,616	.80	.90	.81	.81
1	.01½	.01	Barry Hollinger	......	(.... bid .02 asked)			
1	.65	.24	Base Metals	5,000	.25	.30	.25	.30
No	1.75	1.00	Beattie Gold	6,283	1.25	1.35	1.20	1.24
1	.65	.20	Beaufor	1,250	.28	.33	.30	.33
1	1.70	.38	Bidgood Kirk	36,867	.44½	.50	.45	.46
1	.72	.40	Big Missouri	4,625	.47	.50	.45	.48
1	.29	.12	Bobjo	7,820	.15	.16	.15	.15
1	1.14	.19	Bouscadillac G.M.	38,050	.28	.28	.19	.20
No	9.00	6.40	Bralorne	525	7.65	7.60	7.25	7.25
1	.15	.06	Brazil Gold	......	(.08 bid .... asked)			
1	.21	.07	Bretz Trethewey	1,000	.08½	.08	.07½	.08
1	.13	.03	Brownlee	1,100	.04½	.04½	.04½	.04½
1	12.50	8.25	Buffalo Ankerite	1,280	9.00	9.35	9.10	9.20
No	.06½	.02	Buffalo Can.	2,500	.03½	.03½	.03½	.03½
5	30.00	23.50	Bulolo Gold	1,100	25.25	26.00	25.12	26.00
No	.23	.10	Bunker Hill	36,610	.17½	.20	.16	.16
No	2.30	.87	Can. Malartic	25,520	1.12	1.26	1.12	1.20
1	1.75	1.41	Cariboo Gold	550	1.55	1.52	1.50	1.50
1	.47½	.15	Cartier Malartic	12,900	.16	.17½	.15	.16
1	1.66	.91	Castle Trethewey	2,280	1.00	1.00	.99	.99
1	.65	.25	Cent. Cadillac	5,700	.30	.31	.28	.30
1	.31	.05	Cen. Manitoba	17,250	.06	.06	.05	.05
1	5.25	2.10	Cen. Patricia	4,900	2.80	2.84	2.76	2.80
1	.43	.09	Cen. Porcupine	10,500	.14	.15	.12	.14½
No	1.47	.60	Chromium	28,100	.90	.90	.75	.75
5	10.00	3.00	Coast Copper	......	(4.00 bid 4.95 asked)			
1	.03½	.01	Cobalt Contact	......	(.01 bid .01½ asked)			
5	3.50	2.00	Coniagas	200	2.16	2.25	2.25	2.25
No	2.14	1.00	Coniaurum	2,100	1.50	1.50	1.31	1.31
1	2.70	.92	Con. Chibougamau	9,770	1.06	1.06	.98	1.00
25	100.50	72.00	Cons. Smelters	3,206	80.75	82.25	80.00	80.50
1	2.98	.31	Darkwater	28,150	.56	.58	.45	.45
No	51.12	38.25	Dome Mines	3,826	40.50	41.00	39.75	39.75
1	.15	.04	Dom. Explorers	......	(.05 bid .06 asked)			
1	1.22	.40	Dorval Siscoe	4,040	.51	.49	.45	.45
1	.15	.05½	Duparquet	6,500	.07½	.07½	.07	.07½
1	2.05	.65	East Malartic	12,925	1.04	1.05	1.00	1.00
1	3.65	2.10	Eldorado	8,222	2.82	2.90	2.75	2.80
No	12.87	7.00	Falconbridge	3,386	7.80	8.25	7.90	8.00
1	.54	.07	Federal	28,300	.11	.11	.09½	.09½
No	1.59	.50	Francoeur Gold	14,900	.73	.77	.70	.70
1	.30	.07½	Glenora	8,300	.07½	.08½	.08	.08
1	.65	.29	Gillies Lake	2,900	.35	.36	.30	.32
No	1.02	.40	God's Lake	11,400	.64	.65	.58	.65
1	.30	.06	Golconda	3,500	.06	.07	.07	.07
1	.40	.18	Goldale	4,700	.21	.24	.23	.23
50c.	.39	.12	Gold Belt	......	(.20 bid .25 asked)			
1	.68	.30	Gold Eagle	2,950	.36	.40	.35	.38
1	.22	.07½	Goodfish	268,250	.14	.16½	.13	.14
1	.63	.09	Graham Bousquet	14,550	.12	.11½	.10	.10½
1	.57	.15	Granada Gold	4,900	.24	.24	.19	.22
No	.18	.06½	Grandora	1,000	.08	.07	.07	.07
1	.18	.10	Grull Wihksne	1,000	.10	.10	.10	.10
1	1.25	.55	Gunnar Gold	4,700	.80	.80	.75	.75
1	.07	.02	Halcrow Swayze	1,700	.03	.02½	.02	.02
1	3.44	1.00	Hard Rock	10,520	1.40	1.48	1.35	1.40
1	.35	.12½	Harker	10,100	.14	.14½	.13	.14
5	15.80	10.75	Hollinger	3,890	11.37	11.80	11.00	11.25
1	.72	.30	Howey Gold	4,000	.35	.36	.35	.35
No	41.75	28.63	Hudson Bay	2,080	31.75	32.12	31.37	32.00
1	19.25	11.12	Inter. Mining	......	(11.12 June 20)			
No	73.25	54.00	Int. Nickel	17,437	63.25	65.25	63.87	64.63
1	.54	.25	Jacola	3,867	.31	.31	.30	.31
1	1.61	.50	Jackwaite	3,200	.65	.68	.65	.68
1	2.15	.70	Jellicoe	12,930	1.05	1.09	1.05	1.05
1	.59	.17	J. M. Cons. Gold	4,800	.22	.21½	.21	.21
1	3.30	1.99	Kerr Addison	35,618	2.82	2.85	2.69	2.72
1	.65	.35	Kerr Lake	696	.40	.35	.35	.35
1	.55	.20	Kirk. Gold Rand.	666	.30	.33	.30	.30
1	2.65	1.35	Kirk. Hud. Bay	1,250	1.65	1.75	1.60	1.70
1	1.70	.90	Kirkland Lake	23,640	1.35	1.38	1.26	1.33
1	.55	.19	Kirk. Townsite	......	(.22½ bid .24 asked)			
1	1.10	.40	Laguna	2,100	.50	.50	.46	.46
1	59.50	46.50	Lake Shore	3,254	51.00	51.00	50.00	50.50
1	.28	.04	Lamaque Contact	8,800	.04½	.05	.04	.04
1	1.33	.58	Lapa Cadillac	8,400	.68	.66	.59	.59
1	1.30	.73	Lava Cap	38,155	1.30	1.28	1.10	1.15
1	.30	.11½	Lebel Oro	124,440	.21½	.22½	.20	.20½
1	.07½	.02½	Lee Gold	5,000	.03	.03½	.02½	.03½
1	1.35	.45	Leitch Gold	4,551	.73	.73	.71	.71
No	8.40	4.85	Little Long Lac	3,050	5.45	5.70	5.45	5.50
1	8.60	4.15	Macassa	4,240	5.45	5.70	5.30	5.50
1	1.26	.55	Madsen Red Lake	16,300	.87	.83	.78	.80
1	.04½	.01½	Mairobie	500	.01½	.01½	.01½	.01½
No	.69	.20	Mandy	3,200	.35	.33	.25	.30
No	.16	.02	Man. & Eastern	22,900	.03	.04½	.02½	.03½
1	.36	.11	Maralgo	5,060	.14	.15	.12	.15
5	42.25	32.75	McIntyre	1,110	37.00	36.75	36.00	36.00
1	2.08	1.00	McKenzie R. L.	5,635	1.23	1.24	1.18	1.20
1	.65	.50	McKinley	682	.65	.63	.55	.63
No	4.85	1.65	McLeod Cockshutt	17,000	2.05	2.14	1.95	1.99
No	1.21	.35	McWatters	5,405	.45½	.47	.41	.42
1	.57	.17	McVittie	24,700	.31	.37	.28	.35
5	2.00	1.50	Mentor Exp. & Dev.	......	(.50 bid 2.00 asked)			
No	5.00	2.70	Mining Corp.	2,665	3.50	3.65	3.50	3.50
No	.33½	.10	Minto Mines	3,800	.11½	.12½	.10	.12
1	.08	.02	Moffatt Hall	1,800	.02½	.02½	.02½	.02½
1	.88	.20	Morris Kirk	9,000	.24	.26½	.23	.26
1	1.97	.95	Moneta	48,170	1.81	1.84	1.65	1.75
1	.45	.14	Montague	......	(.... bid .18 asked)			
1	.10	.02½	Murphy	8,200	.03½	.03	.03	.03
1	1.05	.30	Naybob	15,100	.43	.42	.40	.41
No	.12	.01½	Newbec	1,500	.03½	.03½	.01½	.01½
1	1.49	.45	New Golden Rose	54,500	.55	.75	.50	.71
1	.05	.01½	Night Hawk Penn	8,500	.01½	.01½	.01½	.01½
5	3.60	2.30	Nipissing	1,150	2.60	2.55	2.45	2.45
No	83.00	54.50	Noranda	3,236	65.50	66.00	64.25	65.00
No	.95	.64	Nor. Canada	600	.70	.72	.70	.72
1	.16½	.05	Norgold	1,700	.06	.06	.05½	.05½
1	2.23	1.20	Normetal Mining	14,670	1.98	2.00	1.91	1.92
1	13.25	5.50	O'Brien	12,435	6.50	6.60	6.20	6.40
1	1.28	.45	Omega	10,552	.50½	.52	.49	.49
1	2.20	.85	Oro Plata	10,400	1.05	1.15	1.03	1.03
1	.30	.10	Osisko	1,000	.10	.12	.12	.12
No	4.05	1.90	Pamour	23,780	2.30	2.80	2.24	2.69
1	1.10	.30	Pandora	4,400	.50	.55	.50	.50
1	.42	.15	Parkhill	37,872	.16	.21	.18	.20
1	3.80	1.90	Pato Cons. G.	5,150	2.00	2.15	1.95	2.15
1	.41	.12	Partanen Gold	9,900	.14	.15½	.14½	.15½
1	.06	.01½	Pawnee Kirk	......	(.02 bid .02½ asked)			
1	.46	.12	Paulore	5,700	.20	.19	.15	.15
1	1.38	.49	Paymaster	38,000	.66	.68	.59	.59
1	.35	.22	Payore	37,400	.32	.35	.30	.33
1	6.00	2.55	Pend Oreille	12,230	3.75	3.85	3.45	3.60
1	2.51	.70	Perron Gold	6,655	1.07	1.13	1.05	1.07
1	.08½	.01½	Peterson Cobalt	2,000	.01½	.01½	.01½	.01½
1	9.20	4.90	Pickle Crow	5,865	5.65	5.80	5.55	5.70
1	6.85	3.65	Pioneer Gold B.C.	2,595	3.90	3.85	3.65	3.80
1	17.00	15.00	Placer Development	......	(.16 bid .18 asked)			
1	.11	.03½	Porcupine Crown	2,000	.03½	.03½	.03½	.03½
1	2.20	.75	Powell Rouyn	89,600	1.05	1.54	1.08	1.43
1	4.50	1.95	Premier Gold	1,500	2.45	2.55	2.45	2.45
1	1.47	.55	Preston E. Dome	30,304	1.02	1.09	1.00	1.01
No	1.55	1.10	Prospectors Air's	1,100	1.40	1.45	1.40	1.45
1	.88	.30	Quebec Gold	......	(.36 bid .55 asked)			
No	.48	.07	Quemont	1,080	.11	.11	.08½	.08½
1	6.85	2.80	Read Authier	1,425	4.00	4.05	3.95	4.00
1	2.00	.40	Red Crest	4,800	.68	.70	.62	.66
1	1.78	.29	Red Lake	12,350	.39	.39½	.35	.37
No	1.52	.70	Reeves McDonald	200	.74	.72½	.72½	.72½
1	1.35	.72	Reno Gold	6,300	1.00	1.00	.87	.87
1	.22	.07½	Reward	8,900	.08½	.09	.08	.08½
1	.16	.04	Ritchie	2,500	.05	.04½	.04½	.04½
1	.12½	.03	Robb Montbray	18,000	.03½	.03½	.03	.03
1	.48½	.09	Roche Long Lac	16,500	.14	.16	.13	.14
1	2.40	1.25	San Antonio	12,875	1.95	1.96	1.70	1.73
1	1.13	.35	Shawkey	7,800	.56	.60	.55	.55
50c.	.83	.57	Sheep Creek	4,000	.80	.83	.80	.80
1	4.00	1.80	Sherritt Gordon	23,145	2.75	2.85	2.75	2.75
1	6.65	3.05	Siscoe	8,870	3.70	3.85	3.60	3.70
1	2.50	.76	Sladen Malartic	15,500	.99	1.06	.95	1.00
1	2.50	.50	Slave Lake	5,500	.75	.75	.65	.65
No	2.90	.90	Stadacona	35,795	1.25	1.28	1.18	1.25
1	.32	.12	St. Anthony	4,000	.16½	.16½	.15	.15
No	6.90	3.00	Sudbury Basin	2,300	4.15	4.55	4.15	4.25
1	.40½	.15	Sudbury Contact	1,700	.20	.20	.18	.19
1	2.25	1.00	Sullivan Cons.	4,450	1.26	1.28	1.23	1.28
1	4.80	2.70	Sylvanite	3,080	3.10	3.30	3.10	3.10
1	.29	.06	Tashota	15,600	.08½	.08½	.06½	.07
1	6.10	4.55	Teck Hughes	3,505	4.95	5.00	4.90	4.95
1	2.15	.47	Thomp. Cadillac	50,154	.56	.62	.55	.56
1	.65	.20	Temiskaming	10,600	.37	.38	.35	.35
1	4.60	1.85	Toburn Gold	860	2.00	2.50	2.35	2.50
1	2.00	.73	Towagmac	11,210	1.09	1.21	1.04	1.10
1	2.60	.40	Treadwell	......	(.45 bid .60 asked)			
1	.87	.50	Uchi Gold	5,000	.80	.83	.80	.83
No	9.10	6.00	Ventures	2,506	7.80	8.20	7.50	7.75
No	4.65	2.10	Waite Amulet	13,787	3.15	3.35	3.15	3.25
No	.05	.02	White Eagle	1,500	.02	.02½	.02½	.02½
1	.30	.10	Whitewater	8,000	.13½	.15	.14	.14
1	.17	.03½	Wiltsey Coughlan	2,100	.03½	.05	.04	.04½
1	.77	.30	Wood Cadillac	13,500	.37	.39	.36	.37
No	8.20	5.85	Wright-Hargreaves	7,905	6.60	6.60	6.35	6.50
No	.53	.20	Ymir Girl	1,200	.25	.24½	.23	.24

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close July 19 (or last)	High for week	Low for week	Close July 26
No	.22	.10	Acme Gas & Oil	600	.12½	.13½	.12½	.12½
1	.57	.25	Ajax	1,000	.25	.30	.30	.30
1	.95	.29	Alta. Pac. Cons.	100	.40	.40	.40	.40
1	1.10	.20	British Dominion	3,600	.33	.35	.32	.32
No	.65	.49	Brown Oil	9,100	.50	.55	.48	.52
No	6.55	2.00	Calgary & Ed.	13,820	3.10	3.20	3.00	3.00
1	1.75	.40	Calmont	9,250	.77	.80	.70	.72
No	.95	.24	Common Pete	500	.40	.40	.37	.40
No	3.60	.55	Dalhousie	13,250	1.00	1.06	.95	.95
No	.45	.10	East Crest	35,000	.14	.17	.13½	.15½
25c.	.25½	.25½	Firestone Pete	500	.....	.25½	.25½	.25½
No	3.35	.90	Foothills	2,050	1.25	1.33	1.17	1.17
No	1.20	.20½	Foundation Pete	16,350	.41½	.44	.36½	.37
No	.39	.16	Hargal	......	(.... bid .27 asked)			
No	.90	.15	High Sarcee	6,025	.23	.25	.22	.23
No	4.05	1.35	Home	9,400	2.23	2.20	2.10	2.10
1	.87	.31	Homestead O. & G.	3,800	.45	.46	.42	.46
No	.70	.50	Hunter Valley	......	(.30 bid .50 asked)			
No	.16	.15	Do., Warrants	......	(.05 bid .15 asked)			
No	.90	.20	Lowery	......	(.23 bid .30 asked)			
No	.63	.25	Mercury	5,000	.35	.38	.34	.34
No	.44	.18	McD. Segur Ex.	1,300	.33½	.34	.31	.31
No	.39	.10	Merland	2,500	.12½	.11½	.10	.10
1	1.15	.38	Model	2,400	.56	.57	.45	.45
25c.	.56	.40	Monarch Royalties	178,750	.44	.56	.40	.47
5	.49	.15	Nordon	13,300	.15	.18	.15	.16
No	.12	.04	Oil Selections	5,000	.05	.05½	.04½	.05½
No	4.10	1.05	Okalta	23,180	2.30	2.40	2.20	2.22
No	.12	.03	Olga Gas & Oil	500	.03	.03½	.03½	.03½
1	.43½	.10	Pacalta	80,300	.22	.24	.20	.21
1	.70	.60	Petrol Oil & Gas	500	.60	.61	.61	.61
25c.	.30	.29	Prairie Royalties	6,200	.....	.30	.29	.30
No	60.00	34.50	Royalite	2,830	48.50	51.25	48.00	50.00
No	2.00	.50	South West Pete	200	.80	.75	.75	.75
1	.68	.25	Spooner Oil	......	(.... bid .28 asked)			
No	2.35	1.50	Texas Can.	2,900	1.85	1.90	1.75	1.79
No	.70	.17	United Oil	16,900	.30	.32	.29	.29½
1	2.25	1.00	Vulcan	815	2.00	2.00	1.85	1.95

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close July 19 (or last)	High for week	Low for week	Close July 26
50c.	.15	.08	Aztec	2,300	.08½	.08½	.08	.08½
25c.	.02	.00½	Bayview	......	(.00½ bid .... asked)			
20c.	.04	.01	Beaver Silver	......	(.01 bid .01½ asked)			
1	.70	.42	Big Missouri	6,225	.49	.50	.47	.47
25c.	.07½	.01½	Bluebird	......	(.01½ bid .03 asked)			
No	9.00	6.10	Bralorne	1,000	7.50	7.50	7.40	7.40
1	.07½	.03	Bridge River Cons.	......	(.... bid .04 asked)			
50c.	.19	.08	B. R. Mountain Gold	......	(.08 May 29)			
1	.40	.17	B. C. Nickel	2,700	.19	.20	.19	.19
1	3.85	1.75	B. C. Silver	17	2.10	1.90	1.90	1.90
50c.	.04½	.02	Canadian Rand	500	.02	.02	.02	.02
1	1.79	1.43	Cariboo Gold	1,250	1.57	1.55	1.50	1.50
1	.14	.03	Congress Gold	6,000	.03½	.03½	.03	.03½
25c.	.05	.01	Cork Province	......	(.01 bid .01½ asked)			
No	.28	.13	Dentonia	5,500	.15	.15	.15	.15
1	.05	.03	Dunwell	......	(.02½ bid .03 asked)			
No	.18	.06	Fairview Amal.	3,500	.07½	.07	.07	.07
1	.06½	.02½	Federal Gold	6,000	.02½	.02½	.02½	.02½
1	1.43	.38	George Copper	50	.40	.40	.40	.40
50c.	.06½	.02½	George Enterprise	......	(.... bid .03½ asked)			
1	.05	.01½	Georgia River	......	(.01½ bid .... asked)			
50c.	.03½	.01	Glacier Creek	......	(.01 June 5)			
1	.29	.05	Golconda	3,000	.07	.07½	.06½	.06½
50c.	.37	.11½	Gold Belt	1,700	.24	.25	.24	.24
50c.	.43	.03½	Gold Mountain	9,300	.03½	.03½	.03½	.03½
50c.	.30	.11½	Grandview	10,350	.17½	.18½	.17½	.17½
No	.03½	.01	Grange Mines	4,000	.01½	.01½	.01½	.01½
1	.18½	.04	Grull Wihksne	5,300	.09½	.09½	.04	.04
No	.05	.00½	Haida Gold	......	(.01½ June 23)			
No	.13	.03	Hedley Sterling	......	(.... bid .02 asked)			
No	.04½	.01½	Home Gold	29,900	.02½	.03	.02½	.02½
1	.08	.02	Indian Mines	......	(.01½ bid .02½ asked)			
50c.	1.18	.55	Island Mountain	3,400	.70	.70	.64	.65
1	.24	.21	Inter'tl Coal	......	(.21½ bid .25 asked)			
50c.	.06½	.03	Inter'tl Gold	......	(.... bid .04 asked)			
50c.	.90	.71	Kootenay Belle	8,500	.85	.90	.83	.80
20c.	.07	.01½	Koot. Florence	500	.01½	.01½	.01½	.01½
25c.	.04½	.01	Kootenay King	......	(.00½ bid .... asked)			
1	.03½	.00½	Lakeview	3,000	.01	.01½	.01½	.01½
10c.	.19½	.04½	Lucky Jim	2,000	.04½	.04½	.04½	.04½
No	.07½	.02	Mac Sicour	2,000	.02½	.02½	.02½	.02½
50c.	.02½	.00½	Marmot Metals	......	(.00½ June 14)			
1	.19½	.18	McGillivray Creek	1,252	.19	.20	.20	.20
50c.	.06½	.01	Meridian Min.	1,000	.01½	.02	.02	.02
5c.	.17	.02½	Metaline	......	(.02½ July 13)			
No	.38	.11½	Minto Mines	6,400	.12½	.12½	.11½	.11½
50c.	.15½	.04	Nicola	22,400	.07½	.07½	.05½	.06
50c.	.17	.05	Noble Five	8,860	.06	.06	.05½	.05½
1	6.75	2.65	Pend Oreille	2,490	3.70	3.80	3.45	3.65
No	.07½	.02½	Pilot Gold	4,500	.03½	.03½	.03½	.03½
1	6.75	3.70	Pioneer Gold	2,550	3.80	3.85	3.70	3.75
50c.	.15	.04½	Porter Idaho	......	(.04½ bid .05½ asked)			
No	.06½	.01½	Premier Border	8,000	.02½	.02½	.02	.02
4	4.80	1.95	Premier Gold	1,300	2.45	2.50	2.45	2.45
1	.15	.03	Quatsino Copper	1,000	.04½	.04½	.04½	.04½
25c.	.17	.07	Quesnelle Quartz	10,500	.09	.11	.09	.10
1c.	.05½	.02	Reliance	19,000	.02	.02½	.02	.02
1	.37	.12	Relief Arlington	7,500	.21	.23	.21	.23
No	1.90	.67	Reeves McDonald	50	.70	.74	[illegible]	.74
1	1.31	.75	Reno Gold	1,750	.95	.93	.86	.86
1	.20½	.06	Reward Mining	1,700	.08½	.09	.08	.09
1	.09½	.02½	Rufus Argenta	4,000	.02½	.03	.03	.03
1	.11½	.02½	Ruth Hope	1,000	.03½	.03½	.03½	.03½
1	.12	.04	Sally Mines	......	(.05 bid .07 asked)			
50c.	.15	.07½	Salmon Gold	3,100	.08	.08	.07½	.08
50c.	.83	.58	Sheep Creek	3,700	.79	.80	.79	.80
1	3.20	2.50	Sihak Premier	......	(2.07 bid 2.30 asked)			
25c.	.14½	.04	Silvercrest	3,000	.04½	.06	.05	.05
20c.	.10	.01½	Silversmith	9,000	.02½	.02½	.02½	.02
1	.68	.40	Standard Silver	......	(.40 June 14)			
1	.75	.20	Sunloch	......	(.21 bid .... asked)			
10c.	21.00	19.75	Sunshine	......	(19.75 Apr. 5)			
No	.13	.04½	Taylor Bridge	......	(.04½ bid .05 asked)			
No	1.05	.30	Vidette Gold	2,300	.45½	.46	.35	.35
No	.06½	.00½	Viking Gold	15,000	.01	.01½	.01	.01
50c.	.08	.00½	Waverley Tangier	3,000	.00½	.00½	.00½	.00½
20c.	.13½	.02½	Wellington	4,000	.04	.03½	.03½	.03
50c.	.50	.15	Wesko	3,200	.20	.21	.20	.21
1	.42	.10	Whitewater	13,300	.14	.14½	.13	.13
No	.50	.23	Ymir Yankee Girl	......	(.22 bid .... asked)			

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close July 19 (or last)	High for week	Low for week	Close July 26
1	1.09	.26	Alta. Pac. Cons.	2,500	.40	.39	.38	.38
1	.14½	.06	Amalgamated	2,000	.06½	.07	.06	.06
No	.45	.07	Associated Oil	......	(.20 June 24)			
1	.64	.07½	Anaconda	6,200	.16	.15	.14	.16
No	.24	.04½	Baltac	......	(.05 bid .... asked)			
1	1.05	.15	Brit. Dominion	......	(.30 bid .32 asked)			
No	6.50	2.15	Calgary & Ed.	6,700	3.10	3.15	3.00	3.10
1	1.84	.43	Calmont	8,800	.77	.77	.70	.7
1	.80	.26	Commonwealth	2,600	.40	.37½	.36	.3
1	.13	.04½	Crow's Nest	5,200	.05½	.05½	.05	.0
No	2.55	.71	Dalhousie	150	1.00	.96	.96	.9
No	.24	.05	Devenish	......	(.... bid .08 asked)			
No	.45	.13	East Crest	1,200	.13	.15½	.13	.1
No	.96	.23	Foundation Pete	11,800	.41	.41	.35	.3
No	.44	.09	Freehold	5,000	.12	.11½	.11	.1
No	.40	.10	Hargal	1,500	.24	.24	.24	.2
No	.61	.14	High Sarcee	4,500	.24	.24	.23	.2
No	4.10	1.50	Home Oil	1,000	2.75	2.20	2.07	2.
No	.88	.21	Lowery Pete	2,300	.29	.27	.25	
No	.35	.04½	Madison	10,100	.09½	.10	.09½	
No	.50	.15	Marjon Oil	2,700	.17	.17½	.16	
No	.78	.18	McD. Segur Ex.	23,550	.33	.34	.30	
1	1.60	.40	McLeod	500	.50	.48	.48	
No	.88	.22	Mercury	16,775	.36	.37	.33½	
No	.39	.11	Merland	100	.12	.11	.11	
No	.65	.16	Mill City Pete	2,900	.27	.27	.25	
No	.65	.08	Midwest Pete	250	.10	.10	.10	
1	1.15	.44	Model	42,522	.58	.59	.50	
25c.	.62	.23	Monarch Royal	49,000	.42	.52	.48	
5	.48	.14	Nordon	2,500	.14	.18	.15	
No	4.60	.85	Okalta	17,525	2.32	2.40	2.10	2.
No	.44	.11½	Pacalta Oil	5,600	.20	.22	.21½	
1	1.50	.19	Ranchmen's	27,300	.27	.28½	.26	
No	59.00	34.00	Royalite	87	49.00	50.00	50.00	50
No	2.00	.45	Southwest Pete	1,300	.80	.80	.80	
1	.75	.25	Spooner	2,000	.26	.25	.25	
No	.72	.16½	United	10,675	.30	.31	.29½	
No	.35	.05	Vanalta	1,000	.10	.10	.10	
1	3.05	.95	Vulcan	1,465	2.05	2.00	1.90	1

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 27, 1937

Public Utility Issues:	Int. Rate %	Due	Bid July 27	Asked	Bid July 20
†Assoc. Tel. & T.	5½	'55	83	86	83
aAvalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	62	65	66
‡Bell Telephone.	5	'55	113	116	113
‡Do.	5	'57	119	122	119
B. C. Power	4½	'60	99½	102½	99½
B. C. Tele.	4½	'61	106	108	105
‡Calgary Power.	5	'60	96	99	96
‡Do.	5	'64	95½	98½	95
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	90	93	92
‡Gatineau Pwr.	5	'56	102½	105½	102
‡Do., A	6	'41	101	104	101
‡Do., B	6	'41	101	104	101
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-El.	6	'44	82½	85½	80
‡Inter. Power	6	'57	97½	100½	97
‡Do.	6½	'57	99½	101½	99½
aDo.	6	'56	101	104	101
†Maclaren-Que. Power	5½	'61	101	104	101
†Do.	5½	'64	101	104	101
†Mtl. Island Pr.	5½	'57	104	107	104
†Mtl. L., H. & P.	3½	'56	99	102	99½
†Mtl. Tramways.	5	'41	99½	102½	99½
†Do.	5	'55	78½	81½	78½
Nfld. L. & P.	4½	'56	99	102	99
Nat'l. L. & P.	6	'49	...	95	92
N. S. L. & Pr.	4	'57	98	101	98
†Ot'wa L.H.&P.	5	'57	104½	107½	105
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	99	102	98
‡Quebec Pwr.	5	'68	103½	...	103½
Saguenay P., B.	4½	'66	102½	105½	102½
*Do., A	4½	'66	100	103	100
†Shaw. W. & Pr.	4	'61	98½	101½	99
†Do.	4½	'70	103½	106½	104
†United Secs.	5½	'52	79	82	76½
†West. Pwr. Co.	5	'49	104	107	104
‡Wpg. Elec., A	4	'65	76	79	76
‡Do., B	4	'65	62	65	62
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	97½	100½	98
Acadia Sugar	4½	'55	99½	102½	99½
B. A. Oil	4	'45	102	105	102
Canada Bread	6½	'41	107½	110½	107½
†Canada Cement	4½	'51	103	106	103½
†Canada Paper	4½	'52	98	101	97
Can. Steamship	5	'57	70½	73½	...
Can. Canners	4	'51	100	103	100
Can. Bakeries	6½	'45	100	103	100
‡Can. Inter. Pap.	6	'49	101	104	101½
C. P. R.	3½	'51	95½	98½	95½
Do.	4	'49	99½	102½	99
Do.	4½	'44	101½	104½	101
Do.	4	Perp.	93	96	93
†Can. Vickers	6	'47	97½	100½	98½
†Consol. Paper	5½	'61	88½	91½	88½
‡Dominion Coal.	6	'55	100½	...	100½
aDo.	5	'40	104½	...	104½
aDom. Stl. & C.	6½	'55	109	112	109
Dom. Tar	4½	'51	100½	103½	100
Dom. Textile	4½	'55	105½	108½	105½
†Donnacona P.	4½	'56	85½	88½	85½
†Famous Players	4½	'51	96½	99½	96½
†Fraser Cos.	6	'50	103	106	102
†Gen. Stl. W.	4½	'52	96	99	95½
Great Lakes P.	5	'55	97	100	96½
†Gypsum, Lime.	5½	'48	101	104	101
†Gr. Br. & Can. Invest.	4½	'59	86	90	86
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'50	97½	100½	98
Do.	6	'56	...	...	97½
†Inter. Paper	6	'55	97½	100½	96
†Inter. P. & P. Nfld.	5	'68	102½	105½	102
Inter City Bak.	5½	'48	103	106	103
†Kingston Elev.	6	'50	97	100	98½
Lake St. John P. & P.	5½	'61	100½	103½	100½
Do.	5	'61	81½	84½	82
†Lond. Can. Inv.	4½	'48	93½	96½	94
†Massey-Harris	5	'47	97	100	97
†McColl-Front.	6	'49	103	106	103½
†Mersey Paper	6	'49	99	102	99
‡M. & O. Paper.	6	'45	67½	70½	67
Mtl. Dry Docks	6	'46	90	94	90
Nat'l. Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	95	98	95
Nor. Ont. Bldg.	6½	'39	97	100	97
†Price Bros.	5	'57	99½	102½	99½
‡Prov. Paper	5½	'47	102½	105½	102½
Queen's Hotel	6	'47	98½	101½	98½
†Restigouche Co.	6	'48	112	115	111
Rich. Bay Bldg.	6½	'47	96	99	96
†Rolland Paper	5½	'51	102½	105½	102½
Ruddy & Co.	6½	'48	98	101	98
†Simpsons Ltd.	4½	'51	97	100	97
†Smith, Howard	4½	'51	103½	106½	103½
†Steel of Canada	6	'40	110	113	110
Sterling Coal	6	'40	94½	97½	94½
*Twin City	5½	'52	79	82	78½
United Amuse.	5	'56	99	102	99
United Corp.	5	'53	96½	96½	95
Union Gas	4½	'50	99½	102½	99
aWabasso Cot.	4½	'51	97½	100½	97½
Windsor Hotel.	6½	'43	81½	...	81½
Do.	6	'47	42	...	42

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. aPayable in Can or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co, Toronto)

July 27, 1937

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.45	5.00
Acme Farmers Dairy, pfd.	45.00	50.00
Algoma Steel Corp.	15.00	15.50
Do., pfd.	76.00	79.50
Andian Nat.	50.50	51.50
Assoc. Tel. & Tel., pfd.	38.50	41.00
B. C. Pulp & Paper, pfd.	89.00	98.50
Do., com.	28.50	31.00
Brandram-Henderson, com.	5.75	....
Do., pfd.	20.25	....
Burns & Co., A	10.00	12.00
Do., B	4.50	5.50
Can. Tube & Steel, 1st pfd.	75.50	77.50
Do., com.	6.00	7.75
Can. Wire & Cable, pfd.	114.00	....
Can. Airways	5.00	8.50
Can. Industries, A com.	237.00	....
Can. Ingersoll Rand	120.00	122.00
Can. Western Lumber, com.	1.10	1.30
Chase, A. W., pfd, bonus	27.00	....
Conduits Nat., com.	5.25	6.00
Crescent Creamery, pfd.	36.00	39.00
Dominion Woollens, com.	.90	1.20
Do., pfd.	3.75	4.50
Dunlop Tire, pfd.	83.50	86.00
Federal Grain, com.	....	3.00
Do., pfd.	....	42.00
Goderich Elevator	4.10	5.00
Greening Wire, pfd.	108.50	110.00
Guelph Carpet, pfd.	106.75	107.00
Do., com.	25.25	....
Hayes Steel Prod., com.	11.50	12.50
Do., pfd.	8.00	9.00
Highland Dairy, pfd.	80.00	85.00
Lake Sulphite Pulp, com.	24.50	25.25
Loblaw's Inc. (U.S.) Units	77.00	....
McCormick's, com.	4.50	5.60
Do., pfd.	17.50	....
Morrison Brass, pfd. bonus	11.00	13.00
Mount Royal Hotel, pfd.	4.00	4.75
New Meth. Laund., pfd. bon.	93.25	95.25
Paterson, Wm., pfd.	100.00	....
Perfection Pete., pfd.	21.00	22.50
Provincial Paper, pfd.	107.00	108.00
Reliance Grain, pfd.	....	85.00
Rob. Cons. Cone	10.50	11.25
Ruddy, E. L., pfd.	....	34.00
Seal O Sac (Can.)	14.00	16.00
Silverwoods Dairies, com.	1.75	....
Do., pfd.	4.80	4.90
Standard Fuel, com.	5.75	7.00
Do., pfd.	98.00	100.50
Supertest Pete., B pfd.	26.00	28.00
Toronto Carpet, com.	56.00	....
Do., pfd.	60.00	....
United Steel, A pfd.	19.50	20.50
West. Grain, pfd. bonus	8.00	10.00
Weston (Geo.) Foods (Eng.)	3.00	3.25
Wings Limited	.95	1.10
Trusts & Loan Stocks:		
Chartered Trust	98.00	101.00
Commercial Finance, com.	2.70	3.90
Guelph Ont. Inv., par $50	49.75	51.00
London & West. Trust	50.00	55.00
Prudential Trust	5.50	....
Sterling Trust	41.00	....
Traders Fin., A com.	19.00	21.50
Do., Inc. Rights	12.00	....
Do., B pfd. bonus	95.00	97.50
Trusts & Guarantee	28.50	30.50
Insurance Stocks:		
Canada Life	540.00	545.00
Canadian Ins. Shares	16.00	....
Confederation Life, 20% pf.	116.00	118.50
Dominion Fire	133.00	....
Dom. of Can. Gen.	137.00	140.00
Empire Life, 25% pd.	12.00	13.00
Federal Fire, 25% pd.	38.00	41.00
Great West Life	330.00	340.00
Guar. of N.A., fully pd.	295.00	310.00
Do., 20% pd.	57.50	....
Imperial Life	352.00	365.00
Manufacturers Life	275.00	280.00
Monarch Life, 10% pd.	24.50	26.50
Sovereign Life, 25% pd.	16.00	18.00
Sun Life	695.00	730.00
Western Assurance, com.	50.00	54.00
Do., pfd.	40.50	42.50
Theatre Stocks:		
Allens Kingston, pfd.	68.00	....
Do., St. Catharines, pfd.	61.00	....
Do., Tor., 7% pfd. bonus c.	30.00	33.00
Loew's London, pfd.	2.10	2.75
Mansfield Theatre, 7% pfd.	30.00	34.00
Paramount Kitchener, pfd.	58.00	62.00
Do., Oshawa, pfd.	90.00	95.00
United Amusement, A, V.T.	20.00	24.00
Do., B	22.50	24.50
Investment Trust Shares:		
Can. Gen. Invest.	10.00	10.25
Can. Investment Fund	4.60	4.95
Can. Investors	8.75	9.25
Cons. Div. Std. Sec., com.	.40	....
Do., pfd.	22.00	....
Invest. Found., pfd. bonus	57.50	60.00
Lon. Can. Invest., com.	4.35	5.00
Sec's. Hold., pfd. bonus	20.00	22.50
United Corpns., A	23.50	25.50
Do., B	22.50	23.50
Power Issues:		
Can. West. Nat. Gas, pfd.	91.00	92.50
Do., com.	26.00	....
Foreign Power Sec's., pfd.	7.00	10.00
Great Lakes Power, pfd.	96.50	....
Inter. Util., $1.75 pfd.	16.50	18.00
Montreal Island Pwr., pfd.	17.00	19.00
New Brunswick Tel., com.	13.50	14.25

Unlisted Mines

July 27, 1937

Albany River	.48	.50
Algold	.35	.37
Armistace	.14½	.16
Athona	.16	.18
Area	.03	.03½
Augite	.12	.14
Bailor	.02¾	.03¼
Barber Lar.	.15½	.16½
Bathurst N.	.02	.02½
Bilmac	.05½	.06½
Baldwin	.02½	.03
Big Master	.04	.05
Cuniptau	.07	.08
Calder Bous.	.07	.08
Callin Fl.	.03½	.04½
Can. Pan.	.11½	.12
Can. Kirk.	.02	.02¼
Candalaca		.42
Casey Contact	.01	.01½
Chesterville	2.05	2.15
Coin Lake	.05	.08
Condor O.	.03½	.04
Cont. Kirk.	.31	.34
Cooke Lake	.25	.29
Coronation	.08	.11
Coulson	.10	..
Cres. Kirk.	.04½	.05½
Dawson White	.14	.15
Demp. Cad.	.06	.09
Den Nickle	.43½	.45
[illegible]		

Winnipeg Stocks

(Transactions from July 19 to July 24)

	Sales	High for period	Low for period	Close July 24
Adion Oils	1,500	.14	.14	.14
Cryderman	1,500	.02	.02	.02
Cres. Cream., p.	16	36.00	36.00	36.00
Dickstone Cop.	4,400	.15	.13	.13
Flin Flon	8,700	.10	.07	.08
Gurney	7,900	.30	.26	.29
Gold Lake	4,500	.02	.02	.02
Gt.-West Life	1	335.00	335.00	335.00
Forty Four	230	1.25	1.00	1.00
Island Lake	1,300	.01½	.01½	.01½
Marvel Oils	3,200	.05	.05	.05
Optic Lake	20	.30	.30	.30
Ore Grande	20,500	.02½	.02	.02
Packsack	1,000	.12	.10	.10
Pine Lake	1,000	.05	.05	.05
Sachigo River	100	13.50	12.00	12.00
Star Lake	1,500	.01½	.01½	.01½
United Grain	12	9.00	8.50	9.00
West. Steel, pf.	5	8.50	8.50	8.50
West. Brew.	600	1.25	1.25	1.25
Wings Ltd.	100	1.00	1.00	1.00
Wallace Lake	500	.01½	.01½	.01½
Wendigo	1,900	.19	.18	.18
Wingold	3,000	.04	.03½	.03½
Wylie Dom.	1,500	.30	.28	.30

Stocks Not Traded In During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope, c.	..	3¾
Dom. Envelope, pref.	93½	95½
Federal Grain, pfd.	..	41
Home Investment	22	25
Northern Can. Mtge., pf.	3	..
Northern Trust	8¾	..
Traders Bldg.	..	90

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ended July 26, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

UNLISTED MINES—(Continued)

[illegible]

Government Bonds

Dominion of Canada Bonds

July 28, 1937	Bid	Asked	Approx. Yld.
15 Nov. '39	101.25	101.75	1.26
15 Oct. '39	102.25	102.75	1.30
15 Oct. '39	105.63	106.15	1.32
1 June '40	100.10	100.60	1.29
1 Sept. '40	108.00	108.50	1.70
15 Mar. '41	97.75	98.25	1.49
15 Nov. '41	110.85	111.35	2.23
15 Oct. '42	103.75	104.25	2.14
1 June '43	101.25	101.75	2.19
15 Oct. '43	112.00	112.50	2.82
15 Oct. '44	110.00	110.50	2.90
15 Aug. '45	99.50	100.00	▲2.50
15 Oct. '45	106.50	107.00	▲2.78
1 Feb. '46	109.90	110.40	3.11
1 June '49	100.50	101.00	▲3.12
15 Oct. '49	102.25	102.75	▲3.07
15 Oct. '52	106.35	106.85	▲3.22
1 June '55	96.50	97.00	3.22
1 Nov. '56	109.25	109.75	▲3.30
1 Nov. '57	109.35	109.85	▲3.38
1 Nov. '58	109.85	110.35	▲3.40
1 Nov. '59	110.10	110.60	▲3.44
15 Jan. '61	99.25	99.75	3.27
1 June '66	98.15	98.65	3.32
Perp. bds.	87.00	87.50	3.43

Dominion Guaranteed Bonds

Canadian National Railway:	Bid	Asked	Yld.
1 May '44	102.00	103.00	2.52
15 Dec. '50	96.50	97.50	3.23
15 Feb. '53	95.25	96.25	3.30
1 Sept. '51	113.00	114.00	3.28
1 Feb. '56	113.25	114.25	3.48
1 July '57	112.25	113.25	3.58
15 June '55	115.50	116.50	3.51
1 Feb. '54	116.00	117.00	3.65
1 July '69	115.50	116.50	▲3.02
1 Oct. '69	117.75	118.75	▲3.46

Provincial Government Bonds

	Bid	Asked	Yld.
New Brunswick:			
1 Sept. '54	100.50	101.50	3.88
15 Apr. '61	104.00	105.00	4.17
15 Jan. '60	109.00	110.00	4.30
Nova Scotia:			
2 Sept. '45	97.50	98.50	3.21
15 May '43	106.50	107.50	3.08
15 Sept. '52	108.00	109.00	▲3.46
1 Mar. '60	115.75	116.75	3.88
Ontario:			
1 Dec. '51	95.50	96.50	3.30
1 June '62	106.00	107.50	3.55
1 June '50	110.00	111.00	3.44
15 Jan. '62	112.50	114.50	3.60
15 Oct. '48	114.00	115.00	3.41
2 Dec. '60	118.00	119.50	3.75
1 July '46	115.75	116.75	3.33
Ont. Hydro Comm.:			
1 Apr. '47	101.75	102.75	3.17
1 Jan. '70	115.00	117.00	3.83
Prince Edward Island:			
1 Oct. '45	97.50	98.50	3.20
Quebec:			
15 Mar. '52	105.25	106.25	3.46
1 Aug. '58	108.50	109.50	3.60
2 Jan. '63	110.00	111.00	3.82
Alberta:			
15 Dec. '54	53.00	57.00	
1 Dec. '56	53.00	57.00	
1 Oct. '51	66.00	71.00	
1 Oct. '56	56.50	58.50	
1 Jan. '48	56.50	60.00	
1 Sept. '55	58.00	60.00	
1 Oct. '59	58.00	60.00	
1 Jan. '47	58.00	60.00	
1 Mar. '47	59.50	61.50	
[illegible]	64.00	67.00	
British Columbia:			
1 Dec. '67	90.00	92.00	4.80
15 Jan. '51	96.00	98.00	4.70
1 Oct. '53	95.00	96.50	4.81
15 Jan. '63	99.00	100.00	5.00
1 Sept. '55	99.00	100.00	5.00
1 Sept. '49	100.00	101.50	5.25
15 Feb. '47	103.00	104.25	5.44
Manitoba:			
2 Jan. '50	79.00	80.50	6.27
1 Dec. '57	79.00	81.00	6.56
15 Dec. '58	82.00	85.00	5.83
15 June '54	87.00	90.00	5.94
2 Dec. '59	87.00	90.00	5.80
1 Oct. '58	91.00	93.00	6.12
1 Apr. '47	95.00	96.00	6.55
Saskatchewan:			
15 Aug. '53	67.00	69.00	7.25
1 Nov. '60	65.50	68.00	6.73
1 July '45	74.00	76.00	8.32
1 Oct. '61	76.00	79.00	6.80
15 Mar. '60	71.00	75.00	6.62
1 Aug. '58	74.00	78.00	7.02
15 Nov. '50	76.00	80.00	6.67
1 Oct. '52	75.00	79.00	7.36
15 Mar. '62	79.00	82.00	6.09

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ‡Payable N.Y. §Callable on or after Sept. 15, 1966. ‖Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass	30c	Sept. 1	Aug. 16
Do., bonus	30c	Sept. 1	Aug. 16
Do., pref.	$1.75	Oct. 1	Sept. 15
[illegible]	$1.50	Sept. 1	Aug. 14
[illegible]	$4	Sept. 1	Aug. 14
[illegible]	*$1.37½	Aug. 2	July 15
[illegible]	$2	Sept. 1	July 31
[illegible]	50c	Aug. 1	July 26
[illegible]	$2.50	Sept. 1	Aug. 14
[illegible]	8c	Aug. 3	July 22
[illegible]		Aug. 1	July 1
[illegible]	$1.50	Aug. 2	July 17
[illegible]	$1.50	Aug. 16	Aug. 2
[illegible]	12½c	Aug. 16	Aug. 3
[illegible]	7½c	Aug. 16	July 31
[illegible]	6½c	Aug. 15	July 30
[illegible]	$1.25	Aug. 2	July 20
[illegible]	37½c	Aug. 16	July 31
[illegible]	20c	Aug. 2	July 15
[illegible]	$1.50	Aug. 1	July 15
[illegible]	25c	Aug. 2	July 16
[illegible]	27c	Aug. 2	July 16
[illegible]	5c	Aug. 2	July 15
[illegible]	10c	Aug. 2	July 17
[illegible]	$2	Sept. 1	July 31
[illegible]	25c	Aug. 14	July 31
[illegible]	$1.25	Oct. 15	Sept. 30
[illegible]	12½c	Aug. 15	Aug. 1
[illegible]	$2	Oct. 1	Sept. 20
[illegible]	$1.75	Sept. 1	Aug. 16
[illegible]	$1.25	Aug. 2	July 20
[illegible] Inv., pf.	50c	Sept. 1	Aug. 20
[illegible] Inv., pf.	$1.25	Sept. 1	Aug. 14
[illegible]	20c	Aug. 14	July 31
[illegible] A	62½c	Sept. 15	Aug. 31
[illegible] 1st pfd.	$1.75	Aug. 2	July 16
[illegible]arpet, pf.	$1.62½	Aug. 1	July 20
[illegible]as., pf.	$1.75	Aug. 16	July 31
[illegible] Cons.	5c	Aug. 12	July 29
[illegible]tra	5c	Aug. 12	July 29
[illegible] Gold	2c	Aug. 2	June 30
[illegible]one Shoe	50c	Aug. 1	July 15
[illegible]ec. Secs.	25c	Aug. 2	July 15
[illegible] Bank	$2.50	Aug. 2	June 30
[illegible]tilities	$1.75	Aug. 1	July 22
[illegible].50 pref.	87½c	Aug. 1	July 22
[illegible]ior, pfd.	$1.75	Aug. 16	Aug. 5
[illegible]ong Lac	10c	Aug. 16	Aug. 5
[illegible] Woods M.	$1.75	Sept. 1	Aug. 14
[illegible]	25c	Sept. 1	Aug. 10
[illegible], A & B	50c	Sept. 1	Aug. 3
[illegible]re-Pore.	$1.75	Aug. 31	Aug. 13
[illegible]iscuit, pf.	40c	Oct. 15	Sept. 10
[illegible]iscuit, c.	$1.75	July 1	June 15
[illegible]rocers, pfd.	$1.75	Aug. 10	July 31
[illegible] arrears	$1.75	Aug. 15	July 31
[illegible]teel Prod., pf.	$1.75	Aug. 15	July 31
[illegible] on arrears	$16	Aug. 2	July 15
[illegible] Pipe Line, p.	31%	Aug. 16	Aug. 5
[illegible]ans	75c	Aug. 2	July 21
[illegible] pref.	$1.50	Aug. 1	July 20
[illegible] Trust	*25c	Aug. 1	July 20
[illegible]ec Power	25c	Aug. 16	July 20
[illegible] Bank	$2	Sept. 1	July 31
[illegible]nd Paper	25c	Aug. 16	Aug. 6
[illegible], pref.	$1.50	Sept. 1	Aug. 16
[illegible]Law, Flour	25c	Aug. 2	July 20
[illegible], pref.	$1.75	Aug. 2	July 20
[illegible]winigan W.	20c	Aug. 16	July 28
[illegible]on & Sons, pfd.	$3.50	Aug. 2	July 20
[illegible]el of Can.	43¾c	Aug. 2	July 7
[illegible], pref.	43¾c	Aug. 2	July 7
[illegible]th Can. Pwr., c.	20c	Aug. 16	July 31
[illegible]guenay Pwr., pf.	$1.37½	Aug. 1	July 15
[illegible]pson, pref.	$1.25	Aug. 2	July 16
[illegible]burn Gold	2c	Aug. 21	July 22
[illegible]ion Gas	15c	Sept. 15	Aug. 20
[illegible]nited Fuel, pf.	$3	Aug. 16	July 31
[illegible]nited Corp., A	†75c	Aug. 16	July 31
[illegible]alker-G. & W.	50c	Sept. 15	Aug. 20
Do., pref.	25c	Sept. 15	Aug. 20
[illegible]eston, Geo., pf.	$1.25	Aug. 3	July 15
[illegible]ood, A. & J., pf.	‡$1.75	Aug. 10	Aug. 2
Zimmerknit, pfd.	$3.50	Aug. 1	July 15

†Interim. ‡On arrears. *Initial.

Municipal Bonds

July 27, 1937	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	110.00	112.00	4.20
Hamilton	5	1950	112.50	114.50	3.90
Montreal	5	1948	104.50	106.00	4.00
Ottawa	4½	1948	108.00	110.00	3.70
†Quebec	5	1959	102.00	104.00	4.80
Saint John	5	1950	105.00	107.50	4.25
†Toronto	4½	1955	110.50	112.50	3.55
†Vancouver	5	1950	99.00	102.00	5.00
Winnipeg	5	1946	98.00	100.00	5.00

†Payable Can. and N.Y.

Week in Wheat

Further Price Declines Pave Way for Exports

Europe Expected to Fill Immediate Needs from New United States and Balkan Wheat — Canadian Sales Later

From Our Own Correspondent

WINNIPEG.—Further recessions at Winnipeg and Chicago have brought North American prices into line with world levels where a fair export business is again possible. So far, however, most shipments represent orders closed some time ago. Actual sales are not yet being closed at the rate expected in the near future.

Steady narrowing of the premium for cash wheat over October has dispelled the former possibility of a tight position for Canadian wheat before the new crop from this continent and Europe was ready. There was some expectation a few weeks ago that there might be a temporary shortage of available grain, in which case premium on old Canadian wheat might have risen sharply. Now the American crop and also new Balkan wheat are beginning to move and overseas buyers are expected to fill needs from these sources before resorting to higher priced Canadian.

Unsettled

A major factor in the formation of world wheat values just now is the adjustment of United States prices to an export basis. How much wheat that country will be able to spare is still a matter of widely differing estimates, particularly as to damage done by rust and drought in the spring wheat states. If this is as serious as some estimates suggest, the deficiency in hard spring wheat will be made up by a greater use of hard winter wheat in domestic consumption, and exports will largely consist of softer wheats.

A somewhat gingerly approach to adjustment of United States and transatlantic markets to a trading basis is in progress, with both sides expecting that before long a considerable amount of business will have to be done, but with overseas buyers hoping for a lower basis, and United States traders a somewhat higher basis than now prevails.

The Winnipeg market is more directly affected by Chicago movements at present than by any other influence. Winnipeg prices have taken a premium position, on account of the small supplies that will be available from Canada this year. Fluctuations at Winnipeg are in essence determining not what the world price of wheat is to be, but how great a premium over other wheats can be commanded by Canadian supplies.

* * *

Southern Area Dry

Dry weather is causing worry both in Australia and in Argentina. There is still plenty of time for later rains to make up present deficiencies in both countries. Continental markets are giving a good deal of attention to developments there, for short crops in the southern hemisphere can mean comparative scarcity of wheat, and good crops a reasonable balance between world supplies and needs. A repetition of Saskatchewan's drought experience in either of those countries,

* * *

No Russian Exports

Liverpool and continental observers seem at last to have settled down to an agreement that Russian supplies of wheat are not likely to be forthcoming this year. A few weeks ago there were frequent suggestions that Russian crops had sufficiently recovered from early set-backs to make possible the production of an export surplus. Such reports, although received sceptically by many observers, were given credence in some quarters, and to belief in them was attributed some of the European hesitation in following North American price advances. Russia has no system of published crop reports that makes possible any reliable estimates of out-turn in advance of actual harvest, and the immense area over which wheat is grown would require crop estimating information to be very comprehensive before it could be useful.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 203

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT
General Manager.

Toronto, 22nd July, 1937.

Old Canada Investment Company Limited

Dividend Notice

Notice is hereby given that a dividend of 5% on the Preferred stock and 6% on the Class "A" common stock of Old Canada Investment Company Limited has been declared, payable August 5, 1937, to Shareholders of record July 31, 1937.

By order of the Board.
A. H. McKENZIE,
Secretary.

Oshawa, Ontario.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 295
EXTRA DIVIDEND NUMBER 37

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 12th day of August, 1937, to shareholders of record at the close of business on the 29th day of July, 1937.

DATED the 22nd day of July, 1937.

I. McIVOR,
Assistant-Treasurer.

LAKE OF THE WOODS MILLING COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a dividend of $1.75 has been declared on the Preferred shares of the Company payable on September 1st, 1937, to Shareholders of record at the close of business on August 14th, 1937.

By Order of the Board,
D. A. MacINNES,
Secretary.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of Twenty (20c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30th, payable August 16th, to shareholders of record July 28th, 1937.

By Order of the Board,
JAMES WILSON,
Secretary.

Montreal, July 21, 1937.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c.) per share on the preferred shares of the Company has been declared payable on and after August 1st, 1937, to shareholders of record on the 28th day of July, 1937.

DATED at TORONTO, this 22nd day of July, 1937.

J. C. JAMIESON, Secretary.

A. J. PATTISON JR. & CO. LTD.
Established [illegible]
CORPORATION SECURITIES
Royal Bank Bldg. — EL. 5101
TORONTO

Imperial Airways Ltd. Increases Capitalization

To provide funds for equipment and facilities for air transport services linking the Empire to London, authorized capital of Imperial Airways Ltd. has been increased to £5 millions by shareholders sanction of an additional issue of four million shares. A block of one million shares of the new capitalization has already been offered for subscription.

According to the Imperial Airways Gazette, the money raised will cover outlay of about £2 millions for 27 flying boats, eight large land machines and improved ground facilities for operation on Empire flying routes to Egypt, India, Africa, Australia, Singapore and, eventually, Canada.

Montreal Locomotives Secures Trinidad Order

From Our Own Correspondent

MONTREAL.—Montreal Locomotive Works is reported to have secured an order for two locomotives from the Trinidad Government Railways.

Contract covers two 50-ton engines of the 2-6-2 type and the cost will be in the neighborhood of $90,000.

Montreal Locomotives is at present engaged in the construction of about 30 heavy engines for the Canadian Pacific Railway.

DIVIDEND NOTICES

The Corrugated Paper Box Company, Limited

Preferred Stock Dividend No. 18

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of September, 1937, to shareholders of record at the close of business on the 16th day of August, 1937.

Dated the 26th day of July, 1937.

J. A. WHEALY,
Secretary.

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 297

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1937.

By Order of the Board
JACKSON DODDS — General Manager
G. W. SPINNEY — General Manager

Montreal, 20th July, 1937.

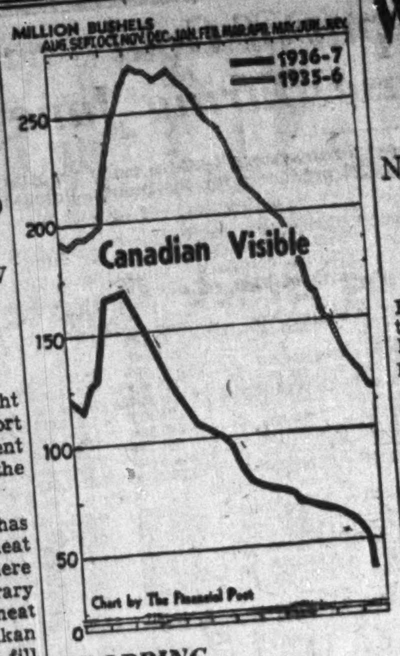
The Royal Bank of Canada

DIVIDEND No. 200

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1937.

By order of the Board.
S. G. DOBSON,
General Manager.

Montreal, Que., July 13th, 1937.



DROPPING

Canadian visible supply of wheat in commercial storage declined over two million bushels to just over 35 millions last week. This compares with over 125 millions a year ago. Export clearances amounted to over two million bushels.

Details in bushels are as follows:

Week of July 23	Week Previous	Last Year
35,196,000	37,978,000	124,677,000
Export Clearances*		
2,260,888	2,204,032	4,354,811

*Plus U. S. imports.

New Varieties End Rust Fear

Resistant Thatcher Now in Sufficient Supply For Manitoba

With the production this year of enough rust resistant wheat to seed all the most susceptible areas of Manitoba, 1937 may be the last season in which rust is a formidable menace to western wheat. About 200,000 acres of Thatcher have been grown in Manitoba this summer. This variety was developed by the University of Minnesota, and distributed in Canada largely through efforts of the Searle Grain Co.

Thatcher has been standing up remarkably this year against the dreaded stem rust, although spotted to some extent by the comparatively harmless leaf rust. In addition, it proved last year, and promises this year to be a heavy yielder.

There are also a few thousand acres in Manitoba in Renown wheat, developed by the Dominion department of agriculture. While this is believed to be even more rust resistant than Thatcher, and gives an extremely high quality of grain, experience so far suggests that it will not yield as heavily as Thatcher. Durum wheat has proved to be rust free so far this year, although sometimes it is affected to a certain extent.

Develop Buffer

The fact that Thatcher wheat is also spreading rapidly south of the international border, and next year will be grown extensively, is also important, as tending to provide a barrier against the northward spread of rust each year. Western Canadian infestations of rust always originate south of the border, for rust spores are killed off by the Canadian winter, although they survive in the milder winters of the winter wheat states. Rust as a rule develops too late to do a great deal of damage to the winter wheat where it originates, but spreads from such grain to the later maturing spring wheat.

Notwithstanding success to date breeding of rust resistant wheats will continue, for no one can be sure that a new variety of rust will not develop, capable of [illegible] wheats now considered resistant.

Dominion Tar & Chemical Stock Increase Approved

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to Dominion Tar and Chemical Co. increasing the authorized common stock from 300,000 to 450,000 shares. Part of the additional stock will be issued to the preferred shareholders in the ratio of two common shares for each share of preferred held, in lieu of dividend arrears.

Wheat Board To Carry On

No Policy Change Seen in Murray's Resignation—$18,000 Saving

From Our Own Correspondent

OTTAWA.—Resignation of James R. Murray from the chairmanship of the Federal Wheat Board neither heralds any change in wheat board policy nor indicates any dissension among its members.

It simply portends that the job for which Mr. Murray was appointed is within definite sight of completion, and that Canada is almost out of the wheat market as a government and almost—not quite—"out of the red" in respect to the stabilization and other operations which she has carried on over the period of the past five years. One of Mr. Murray's last acts was to turn over to the treasury a cheque, said to be for several millions, money recovered by the board in excess of its hopes in the wheat market of the past few months.

With Mr. Murray's resignation, however, the wheat board is neither to disappear, nor is its policy to change. The Government will retain it as an assurance to the West of the existence of machinery to protect them against any possibility of another drastic price slump.

If allowance is made for wheat still in the board's possession, the Dominion is something better than "even" with respect to its wheat policy of the past five years. Actually, the Government ledgers are declared to show the wheat board as not yet "out of the red." But the deficit is now so small as to be balanced by existing holdings. Exact figures will not be available until next year's budget speech.

Mr. Murray's retirement will save the treasury the full amount of his annual salary, $18,000. George McIvor, who has been vice-chairman and is now being promoted, will receive no increase in his present salary; Dean A. M. Shaw, head of the federal marketing branch, will continue to serve without additional remuneration; and Robert Findlay, present secretary of the board, will become the third commissioner, but continue his secretarial duties as well—and without increased compensation.

Commodities

A sudden improvement in wheat crop prospects both in Canada and the U. S. sent wheat prices sharply downward this week, but the general commodity list remained at levels little changed from the previous week. Independent strength in silk reflected the passing of speculative liquidation accompanying trading fears over the Sino-Japanese situation and expectations of active autumn markets.

Lower prices for cotton reflect favorable crop weather and the belief of traders that a heavy marketing movement can now be anticipated late in the summer.

Comparative figures follow:

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$9.30	$9.30	$8.00
Hogs	10.65	10.90	8.75
Copper, lb.	.14	.14	.09¾
Cotton, lb.	.1172	.1252	.1330
Rubber, lb.	.1840	.1890	.1631
Sugar, raw, lb.	.0342	.0347	.0370
Silk, lb.	1.93½	1.98½	1.71
Wheat, Man. (bu.)	1.30¾	1.31¼	.95¼
Coffee, lb.	.09¾	.09¾	.08¼
Hides	.17½	.17	.11

Weekly Indices

N. Y. Annalist*	95.2	95.4	83.2
Fishers'	92.3	92.5	83.3
N. Y. Journal of Comm.	90.8	91.3	81.8
Crumps (Brit.)	83.7	83.4	69.8
U. S. Labor	87.8	87.7	80.1
Canada (D.B.S.)	87.7	87.0	74.3

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (June)	82.6	82.8	80.0
W'sale (June)	84.6	85.1	72.3
U. S. (May)	87.4	88.0	75.5
Gt. Brit. (Apr.)	108.9	107.3	91.9

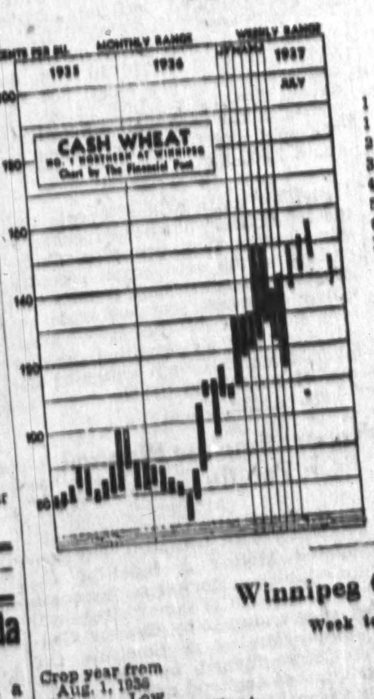
Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto; Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar—96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis; Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto. *Revised.

Bondholders' Meeting

MONTREAL.—St. Catherine Improvement Co. will likely call a bondholders' meeting early next month. Interest payment due on Jan. 2 has not been paid, nor is there any indication from the company of the obligation being met at an early date.

Wheat Prices



(Cash Quotations)

	For Week July 27 High	Low	Prev. Week High	Low
1 Man. Hard	1.45⅞	1.38⅜	1.55	1.46⅛
1 Northern	1.45⅞	1.38⅜	1.55	1.46⅛
2 Northern	1.42⅞	1.35⅛	1.51⅛	1.43
3 Northern	1.39⅛	1.31⅝	1.48⅝	1.39
4 Northern	1.35⅝	1.26⅝	1.41⅞	1.32
5 Wheat	1.22⅝	1.15	1.33⅝	1.21⅝
6 Wheat	1.18⅝	1.09	1.27⅝	1.15⅝
Feed Wheat	1.00⅝	.93	1.11⅛	.99⅝
Vancouver: Week to July 26:				
1 Northern	1.40⅝	1.30	1.44⅛	1.39⅝

Competitive Export Prices:

*July shipments:	Week to July 24 High	Low
No. 1 North. (Atlan.)	1.72⅝	1.60⅝
No. 2 North. (Atlan.)	1.70⅝	1.57⅝
West Australian (afloat)	1.48⅝	1.40⅝
Australian	1.47⅝	1.41⅝
Indian (new crop)	1.40⅝	1.35⅝
U. S. Soft White Pac.†	1.41⅝	1.29⅝
U. S. Hard Winters‡	1.53⅝	1.44⅝
Argentine (Rosafe)*	1.35⅝	1.33⅝

†Sept. ‡Aug. *New crop Jan.-Feb.

Winnipeg Grain Futures

Week to July 27, 1937

Crop year from Aug. 1, 1936 High	Low		Open July 21	High for week	Low for week	Close July 27
		Wheat				
1.57	1.05¾	July	1.45½	1.47¼	1.38	1.37¾
1.47	1.04½	Oct.	1.37	1.40	1.29⅛	1.31⅝
1.43½	1.07	Dec.	1.33	1.38⅝	1.26	1.26⅝
		Oats				
.70	.43½	July	.65½	.66⅝	.57½	.59⅛
.58½	.41	Oct.	.53½	.55	.48⅛	.49⅝
.54½	.38¾	Dec.	.51⅛	.51¼	.45	.45⅝
		Barley				
.82½	.56⅝	July	.69⅝	.73½	.66⅛	.68⅝
.73½	.51	Oct.	.63⅛	.65⅝	.61⅝	.64⅛
.70¾	.50	Dec.	.62⅝	.63⅛	.60⅛	.63⅝
		Flax				
2.05	1.60	July	1.79	1.80	1.75	1.76
2.01	1.61	Oct.	1.75	1.82½	1.76⅛	1.78⅛
1.98¾	1.70½	Dec.	1.76	1.79	1.73	1.76⅝
		Rye				
1.32½	.78½	July	1.40⅝	1.22½	1.10⅝	1.20
1.09½	.75½	Oct.	.94	.99⅝	.90	.92⅝
1.06⅝	.74	Dec.	.93½	.94⅝	.88	.90

Report Canada Buys U.S. Grain

Northwestern Miller reports rumors of small United States wheat exports to Canada. If such proves correct then the trend of the last two years has been completely reversed.

During the crop year closing next week and in the one previous very considerable exports of Canadian wheat were made to United States where the domestic yield fell short of consumption.

Any considerable import of wheat by Canada this year, of course, is out of the question as even the lowest crop estimates still allow an exportable surplus with present carryover of over 75 million bushels. It is possible, however, that there might be some temporary shortage of certain grades in the next few weeks before new crop wheat is available. Canadian duty is not prohibitive.

Little Wheat To Vancouver

Hand to Mouth Buying Favors Short Route to Europe

From Our Own Correspondent

WINNIPEG.—Vancouver's hopes of doing some export business in wheat during the coming year have been somewhat revived by reports of Alberta's fair crop prospects. But even with this near-by grain may be difficult to obtain.

For a time the feeling prevailed at the Pacific coast that the whole Canadian crop during 1937-38 might find its way to market by the eastern route. Several different causes, of which freight rates are most important, contributed.

Ocean Freight High

Ocean freight rates from Pacific ports to Great Britain and the continent are much higher than a year ago, due to a revival in other lines of business, and the diversion of ships to other cargoes, notably scrap iron export from the United States.

In contrast, water rates on the eastern route are likely to be low. Competition will hold freight rates down on the Great Lakes, and liners will always make low rates for wheat from Atlantic ports to Europe rather than ballast.

Then there is the fact that with a very small Canadian crop, Canadian prices are likely to hold at premiums over wheats of other countries. Under such circumstances buying of Canadian wheat is likely to be on a hand to mouth basis, and purchasers overseas will be reluctant to make commitments for Canadian wheat far in advance. Consequently sales from Vancouver for a voyage via the Panama Canal of five weeks or more longer than from Atlantic ports will be difficult to make. True, exporters can put wheat afloat and take a chance on making sales before it reaches destination on the other side. Such business, however, is usually risky when the market is narrow, and when premiums prevail for cash wheat as compared with distant futures.

Orient Uninterested

Rail freight rates from Alberta westward are several cents per bushel below shipments to the head of the lakes so Vancouver prices can be slightly, but only slightly, below Fort William before all Alberta grain is diverted to the eastern route. Granted that Vancouver offers to the farmer a sufficiently high price to get his grain, the next problem is to be able to offer it overseas at a sufficiently low price to enable business to be done.

This has proved almost impossible so far as Europe is concerned in recent months and there is no immediate hope of sales to the Orient. Premiums asked for Canadian wheat are likely to be too high to enable business to be done with China or Japan, low quality wheat buyers, although such a situation might change with an Australian crop failure.

Paperboard Deal Shown in Report

Sale of fixed assets of Canadian Paperboard Ltd. to Robert Gair Co. is reflected in the financial statement of the former company as at June 30, 1937. Total assets are carried at $523,660 as against almost $1.8 million at the end of 1936, and the fixed asset figures of $1.7 million shown in last December's statement has been replaced by investment in other companies at $510,000. This represents the bulk of the income votes paid by the Gair Co., the remaining $40,000 having been sold by Canadian Paperboard at a loss of $4,147. Loss arising from the sale is placed at $1,052,766, book value of the properties amounting to more than $1.6 million and the purchase price to $612,500. Arrears of dividends on the company's preferred stock now stand at $11.25 a share.

Loss for the first six months of this year was $3,140. This, along with $1,400 directors fees from 1934, brings the deficit in profit and loss account to $82,659 at the end of June. The company's statement for the year ended Dec. 31, 1936, reports an operating loss of $2,444 and a net loss of $18,417. Comparative figures on 1936 results, and details of expenditures in the first half of this year, are as follows:

Income and Surplus Account Year Ended Dec. 31

	1936	1935
Loss from oper.	2,444	1,381
Add: Exec. remun.	3,750	2,400
Legal fees	1,065	6,073
Deprec. (Mtl.)	10,000	10,000
Interest	2,208	2,040
Net loss	18,417	19,430
Add: Prev. deficit	59,571	34,547
Pr. yr. tax adjusts.	130	253
Deprec., 1934, on Mtl. bldgs. & equip.		5,000
Less: Sundry small items		38
Deficit carried forward	78,118	59,571

Six Months Ended June 30, 1937

Executive remuneration	1,125
Interest	777
Audit fees, capital taxes & sundry exp.	1,237
Net loss	3,139
Add: Prev. deficit	78,118
Directors fees from 1934	1,400
Deficit carried forward	82,659

Burry Biscuit Reports Changes in Stock Issue

Burry Biscuit Corp. reports to the Toronto Stock Exchange that its outstanding capital now consists of 9,870 shares of preferred stock and 401,040 shares of common stock.

Since the filing of the company's listing application, 130 shares of the 6% convertible preferred of $50 a share have been surrendered for conversion into common on an eight for one basis. This means issue of an additional 1,040 shares of common.

Preferred stock which has been converted into common cannot be reissued by the company.

NATIONAL ELEVATOR CO., LTD.
WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKEHEAD SHIPMENTS FOR EASTERN TRADE
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

DEPENDABLE
THE ALBERTA PACIFIC GRAIN Co. Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

C. D. HOWE COMPANY LIMITED
Consulting Engineers
Grain Elevators—Flour & Feed Mills—Reports—Appraisals.
SEVENTH FLOOR, WHALEN BLDG. — PORT ARTHUR, ONTARIO. — J. M. FLEMING, Mgr. & Ch. Engr.

THE CANADIAN CONSOLIDATED GRAIN COMPANY LIMITED
Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur
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Week in Mining

Monarch Well Revives Interest in Oil Stocks

Success of West Flank Well Seen as Ushering in New Activity — Dozen Wells Should Be Completed in Next Two Months

Although reliable production figures are not available at time of writing, Monarch Royalties well, which blew in a few days ago, appears to have largely fulfilled the high hopes held for it. Monarch has, for several months, been regarded as one of the key wells in Turner Valley, and on its success or failure was said to depend the course of western oil stocks during the late summer and autumn.

Certainly, Monarch appears to have been a success, with a flush production reported at well over 1,000 barrels before acidizing, and its behavior will undoubtedly help to revive interest in the Valley, and in western oil stocks.

Sterling Pacific No. 5, north of Turner Valley Royalties, and which should also reach the producing limestone in a few days, now takes its place as the most important non-producer.

In view of the fact that within the next two months, some 11 wells are scheduled to reach completion, it is logical to expect that oil, rather than gold stocks, will be the active sections of Canadian markets.

Monarch Well

Monarch well's success has widened the producing zone of the west flank of Turner Valley by about one quarter mile. It has definitely brightened the chances of such nearby wells as Brown No. 2, Sunset, and other westerly wells.

While absence of official production figures seems disconcerting, Anglo-Canadian Development Co., drilling operators, are to be commended for their caution in this regard. It may be recalled that an over-eager public has, many times in the past, confused early flush production figures with final production rates, and has suffered loss after the well has settled down to its normal flow. Apparently the operators are making sure that no such misunderstanding occurs on this occasion.

The only royalties payable on Monarch are the usual 10% to the Alberta Government and 15% to Okalta Oils if production is more than 500 barrels a day and 10% if under 500 barrels. Monarch's share should accordingly be 75% of production.

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An "Open Market"

What is an "over-the-counter market?"

In suspending the registration of Canusa Gold Mines, the Securities and Exchange Commission of Washington points to the definition of one Toronto group, a definition which is prevalent in the minds of all too many mining promoters.

In this case, Outlook Investments Ltd. had purchased a block of Canusa stock at five cents per share, in addition to certain options. The company in registering with the S.E.C., stated that the stock was to be offered to the public "at the market as quoted from day to day by unlisted traders at Toronto."

Now, both Outlook Investments and another firm, R. C. Beaton & Co., are controlled, according to the findings of the S.E.C. by one J. K. Gamble. As a result, while the actual underwriting company made no purchases in the open market, its affiliate company, R. C. Beaton & Co., was able to buy and sell the stock, thus virtually controlling the price, as the agent for the underwriting company.

Under such circumstances, it is little wonder that the so-called "open" or "over-the-counter markets" have often a tendency to become completely divorced from supply and demand, and from development at the property.

The findings of the Washington body, carried in some detail in another column, are well worth reading, and will prove educational to many.

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Index to Mining Stocks

Further improvement was shown on the Canadian stock markets on July 17, 19 and 20, with the greatest sales occurring on those days, but the volume for the week remained comparatively light. Golds moved upward on the Dominion Bureau of Statistics' index from 109.2 on July 16 to 110.9 on July 20, and general strength was apparent in the base metals, when the index gained 10 points up to 286.0. This moderate advance for all stocks was followed by a reversed trend which was attributed principally to seasonal dullness and the usual profit-taking after a few days' rally. Although stocks were inclined to ease on the final days of the week, movements were narrow. Senior golds were irregular, with Dome the main feature, and base metals fluctuated within very limited range. The general weekly index of twenty-four mines mounted fractionally from 142.7 to 143.6, with the gold group advancing from 110.1 to 110.2 and base metals from 278.7 to 282.6.

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Western Coal Committee

A movement which has, judging from western reports, received wholehearted support from citizens of western Canadian coal areas, has been launched in that area, seeking a solution for what are undoubtedly serious conditions in the Alberta and eastern B. C. coal industry.

A strong coal committee has been formed, as a result of a mass meeting held in Bellvue in the Crow's Nest Pass area toward the end of April. The campaign differs from former campaigns in that heretofore the burden of championing the cause of coal has devolved largely on the operators themselves. This committee is formed by citizens in all walks of life.

Since its formation this committee has been organizing in every coal centre in the province, with the hope that in time a provincial committee will emerge which will represent the coal industry of Alberta, and, as far as possible, of western Canada.

Alberta is known to have tremendous reserves of all grades of coal, ranging from lignite to sub-bituminous and high-grade bituminous. Dr. J. A. Allan, professor of geology at the University of Alberta, testified before the Barlow Commission of 1935 that the province's reserves totalled some 40 billion tons.

In view of this fact, and the fact that most of the mines are working the men only a small fraction of the total number of working days per year, most of Canada will be wishing this latest and apparently widespread effort well, even if solution of the problem involves a slightly higher coal cost in eastern markets.

Due to barriers and protective tariffs set up by United States to protect her western coal industry, Alberta's exports to that country have dwindled from 153,000 tons in 1920, to a negligible 13,000 tons in 1934, latest year for which figures are available. It is obvious that it is to eastern Canada that this committee must look in its apparently large scale and laudable effort to widen coal markets.

Output of Sulphur 40 Tons a Day

Trail Success Will be Aid to Pulp and Paper Industry

From Our Own Correspondent

VANCOUVER. — An important step in its chemical developments has been taken by Consolidated Mining & Smelting Co. through conversion of waste gases from the company's lead and zinc plants into elemental sulphur.

Sulphur has never heretofore been produced on a large scale in Canada, the imports of this product having averaged about 150,000 tons annually.

It is expected that the supply of sulphur in British Columbia will be of particular advantage to the pulp and paper industries on this coast.

It has been known for some time that Smelters had been carrying on experiments in the manufacture of sulphur. Production is now on a 40-ton-a-day basis.

Announcement by the company that the experiments have been successful is important in conjunction with the other forms of utilization of waste gases in the recently completed $15,000,000 fertilizer plant. Numerous types of nitrogenous fertilizers are now being produced at the Warfield plant.

Mining Dividends

	Rate	Close July 26	Yield %
Anglo-Huronian	20c	5.95	..
Beattie Gold	5c	1.24	..
Bralorne	40c+25c	7.25	*8.9
Buffalo Ankerite	50c+12½c	9.20	*6.8
Bulolo Gold	$1.50	23.00	..
Cariboo	10c	1.50	6.6
Central Patricia	6c	2.80	..
Coniagas	12½c	2.25	..
Coniaurum	5c	1.31	..
Cons. Smelters	50c+$1	60.50	..
Dome Mines	$2+$2	39.75	*10
Falconbridge	30c	8.00	3.7
Hollinger	65c+45c	11.25	*9.6
Howey Gold	4c	.35	..
Hudson Bay	75c	31.50	..
Island Mountain	15c	.65	..
Inter. Mining	30c	11.12	..
Inter. Nickel com.	$2	63.63	3.1
Kerr Lake	5c	.35	..
Kirk. Lake	13c	1.33	..
Lake Shore	$4+$1	50.50	*9.9
Lava Cap M.	5c	1.15	..
Little Long Lac	30c	5.50	..
Macassa	15c	5.50	2.7
McIntyre	$2	36.00	5.5
McKenzie Red Lake	4c	1.20	..
McKinley Sec.	5c	.63	..
Noranda	†$1.75	65.00	..
Nor. Can. Mining	13c	.72	..
Nipissing	25c	2.45	..
Placer Develop.	†60c	15.00	..
Premier	12c+3c	2.45	*6.1
Pioneer, B.C.	40c	3.80	10.5
Pickle Crow	40c	5.70	7
Reno	12c	.87	13.8
San Antonio	7c	1.73	..
Sheep Creek	8c+1c	.80	*11.2
Siscoe	20c+1c	3.70	*5.6
Sudbury Basin	†10c	4.25	..
Sullivan Cons.	†2½c	1.28	..
Sylvanite	20c+5c	3.10	*8.1
Teck-Hughes	40c+5c	4.95	*9.1
Toburn	8c	2.50	3.2
Ventures	†12½c	7.75	..
Wright-Harg.	40c+25c	6.50	*10

‡Interim. †Initial.
*Yield includes bonus.

B. C. Nickel Mines Ships Concentrates to Japan

From Our Own Correspondent

VANCOUVER. — B. C. Nickel Mines shipped first concentrates to Japan a few days ago. They were produced from 3,000 tons of ore from the company's mine near Choate.

The shipment is being made for experimental purposes. Test of B. C. nickel ore in Japan was evidently satisfactory, and if the concentrates are approved it is expected that the B. C. company will establish a concentrator and proceed with a three-year contract with Japanese interests for the purchase of the plant's total production.

A few days previously, Granby Consolidated Mining & Smelting Company shipped its first copper concentrates from the Allenby mill to Japan, where the company has a five-year contract.

Monarch Seen Likely Source Of Good Flow

Production Figures Unavailable But Large Output Indicated

1,000 BARRELS DAILY

From Our Own Correspondent

CALGARY.—Belief that the Monarch Royalties well on the west flank of Turner Valley would rank among substantial Turner Valley producers, is held by officials of the company. Production figures of the well, which struck crude oil 467 feet in the porous Madison lime at a total depth of 7,007 feet have not yet been issued.

Officials think the well will be a leading producer, especially after the lime has been acidized at the producing horizon. Acidization has become an important process at wells in this area of the valley, especially since the experiment of using the treatment on a known big producer early in its career.

It is estimated by several officials the well is now producing 1,000 barrels a day, and it is expected this will increase after it has been acidized. Some 3,000 gallons of acid was pumped into the hole recently and a strong flow followed.

Cautious Regarding Data

In explaining the reluctance of the company to give out any indication of production, until such time as the well appears to have settled to a steady flow, officials recall what happened after the strike at Foundation. At that time estimates were based on the flush production and when these were not justified as the well settled, the company received some criticism.

Shortly after the gas had partly cleared the hole, oil was reported blowing by heads. First reports ran as high as 2,000 barrels, but the company would go no further than the admission that it expected a "good well." Location of the well is in L.S.D.0 28-18-2w5.

The next well that is causing considerable interest is Sterling-Pacific 5, drilling 220 feet in the lime at a depth of 6,841 feet. Royalite Sterling No. 6 had made good progress at 2,418. Davies Pete No. 2 was at 5,678 feet, and Royal Canadian at 1,473, all drilling steadily over the week-end.

Brown Wells

Brown No. 1, deepest hole of the Brown Corp., was making headway to the 6,000-foot mark, at 5,567 feet. Brown No. 2 closely following was at 5,276 while their No. 3, testing the west flank, to the northward, was at 2,040 feet. Other wells drilling under Brown supervision were reported as follows: Royal Crest at 4,570; Three Point, 3,883; Four Star, 4,400, and Vulcan-Brown, the latest driller, 1,498 feet.

Richland No. 3 well has an increasing gas flow rapidly approaching critical lime depth. Officials of the company decided to install a control head as a precaution. The well was going down beyond 160 feet in the lime at 5,765 feet, drilling with standard tools.

Another week of satisfactory drilling progress was reported on the Mercury wells. Their Royalties well, on the west flank, has reached 5,121 feet, and the company's own No. 8 well is at 5,046 feet. Union Drilling Company is doing the job at both wells. Miracle No. 2 which is very closely associated with Mercury interest, was acidized during the week, and as a result has increased its previous flow of 60 barrels a day to 125 barrels.

Mining Options

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon treasury shares of the following companies:

Pend Oreille—At meeting of directors held Dec. 22, 1936, the sale of 20,000 shares at $3.50 per share was approved, pursuant to an offer received Dec. 21, 1936. Approval was given on June 18, 1937 to sale of 25,000 shares at $3 per share pursuant to an offer received April 26, 1937.

Gillies Lake—An extension of 30 days has been granted with respect to July 1 payment under agreement dated June 3, 1937.

Lava Cap—On Aug. 10, 1936, company issued 10,000 shares to its general manager under terms of his contract of employment. On Feb. 19, 1937, directors voted to allow five holders of fractional shares the privilege to purchase an additional fraction on a basis of $1 per share so as to bring their respective holdings up to full shares and that thereafter no fractional shares would be issued. Three of the five shareholders exercised this right and the company issued one and five-sixth shares. Issued capital is 2,400,756 and five-sixth shares.

Naybob—Balance of June 10 payment of 59,398 shares at 35 cents under agreement dated Nov. 5, 1936, was not made and agreement has been terminated. The company on June 16 sold 30,000 shares at 38 cents and entered a new underwriting agreement covering 600,000 shares at 42 cents, of which 25,000 shares are to be taken up by July 10, 25,000 shares on 10th day of August, September, and October, 35,000 shares on the 10th day of November and December, 50,000 shares on the 10th day of January, February, March, April and May, 1938 and 65,000 shares on the 10th day of July and August, 1938.

Bunker Hill Extension—On Aug. 14, 1936, company sold block of 50,000 treasury shares at 11 cents. Total issued capital is 999,000 shares.

British Dominion Oil—Is entering an underwriting agreement on 200,000 shares at 20 cents per share and an option upon 200,000 shares at 20 cents per share, 250,000 at 25 cents, and 350,000 at 25 cents, the underwriting is to be taken up within 30 days, the first option 30 days thereafter and subsequent options at intervals of 30 days. Company has secured supplementary letters patent, increasing its authorized capital from 750,000 shares of $1 par value to 2,500,000 shares without par value. Existing stock is exchangeable share for share.

Homestead—By agreement dated July 16, 1937, 25,000 shares were underwritten at 40 cents per share and an option given on 150,000 at prices ranging from 50 cents to one dollar, exercisable in 25,000 share blocks monthly from September to February.

Paulore—July 17 installment covering 50,000 shares at 35 cents per share under option agreement dated Nov. 2 has been extended to Sept. 15 next, all subsequent installments being extended for a corresponding period.

Royalite—On July 29, 1936, issued 3,000 shares to Directors Oils as consideration for lease on L.S.D. 16, section 28, twp. 18, range 2 west of first meridian and lease on L.S.D. 4, section 34, twp. 18 and other assets. On Oct. 1, 1936, company issued 1,850 shares to Freehold Oil Corporation as consideration for the interest in a sublease on L.S.D. 6, section 28, twp. 18, together with its interest in Mar Jon-Freehold No. 1 well. Total issued capital is therefore 703,082 shares.

Tashota—By agreement dated July 7, borrowed $20,000 against its promissory note for that amount payable with interest of 6% per annum at option of the lender on demand after three months from date of agreement. In consideration for the loan, Tashota gave an option on 200,000 shares at 10 cents per share until Apr. 7 next or until the loan has been called whichever is first. The lender may call the loan or any part before expiration of three months by exercising option to the amount called on the basis of 10 cents per share.

Ontario's Output of Gold Shows Increase During June

For June, 1937, the output of Ontario's gold mines shows a general increase over production for the corresponding month of 1936, according to the June gold bulletin of the Ontario department of mines.

Northwestern Ontario camp reports 20 producers for the month, Porcupine 11, Kirkland Lake 10 and Matachewan 2.

Monthly output figures for June, 1937, as compared with the same month of 1936, follow:

	1936		1937	
	Tons milled	Value $	Tons milled	Value $
Porcupine Belt:				
January	321,654	2,654,617	360,997	3,166,931
February	311,340	2,618,662	326,558	3,116,903
March	330,163	2,811,129	357,997	3,318,759
April	320,479	2,976,709	350,011	3,072,697
May	331,735	2,797,688	349,964	3,206,201
June	320,819	2,887,115	351,174	3,245,556
Total	1,936,190	16,745,920	2,096,701	19,127,047
Kirkland Lake Belt:				
January	166,080	2,767,180	195,295	2,961,649
February	161,112	2,700,890	169,598	2,784,962
March	189,606	2,996,610	194,223	2,979,568
April	176,323	2,796,423	189,005	2,911,285
May	187,694	2,836,312	202,583	3,023,121
June	185,965	2,951,602	197,638	2,940,535
Total	1,066,780	17,049,017	1,148,342	17,601,120
Matachewan:				
January	29,280	116,704	36,509	134,021
February	27,863	111,182	33,935	132,337
March	33,363	136,847	38,899	133,366
April	32,920	133,437	37,747	144,729
May	31,279	104,538	40,430	164,202
June	34,434	129,966	41,373	156,308
Total	189,139	732,674	228,893	864,963
Northwestern Ontario:				
January	88,541	695,913	98,545	857,409
February	82,830	680,272	92,185	861,402
March	89,147	769,920	101,623	876,701
April	86,771	740,166	99,051	850,877
May	89,991	773,263	106,339	932,275
June	87,367	782,512	107,172	1,052,435
Total	524,647	4,442,046	604,915	5,431,099
Total for Ontario:				
January	605,555	6,234,414	691,346	7,120,010
February	583,145	6,111,006	622,276	6,895,604
March	642,279	6,714,506	692,742	7,308,394
April	616,493	6,646,735	675,814	6,979,588
May	640,699	6,511,801	699,316	7,315,799
June	628,585	6,751,195	697,357	7,404,834
Grand total	3,716,756	38,969,657	4,078,851	43,024,229

News Concentrates

Abbeville Gold has two drills working on its 24-claim group adjoining Senator Rouyn Mines in Rouyn twp., Quebec, and one drilling on the 10-claim group adjoining Stadore Gold in Beauchastel twp. The two holes completed on the Beauchastel group have shown low gold values. Prospecting will continue westward across the property.

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Central Duverny Gold is carrying on extensive bulk sampling at its property in Duverny twp., northwestern Quebec. The company is diamond drilling some parallel shear zones indicated by the geological map. A geophysical survey of the holdings was recently completed.

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Chesterville Larder Lake Gold holding three claims adjoining Kerr-Addison on the east in Larder Lake mining division, has appointed Dr. W. F. James to supervise exploratory work on the property. Preliminary diamond drilling secured some very encouraging results. Hole No 7 has just been completed; No. 8 is now drilling. A statement summarizing results secured to date is expected to be available shortly. Three or more parallel zones of value were indicated during the drilling of six holes. In No. 3 drill hole, sunk 100 feet, from No. 1, assay of $42.21 over 47 feet, was obtained. No. 1 hole ran $48.25 over 37 feet.

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Delandore Mines, in Delestre twp., Quebec, 22 miles from Senneterre, reports that it has completed No. 10 diamond drill hole on the property. The first 2½ feet section of split core assayed $32.90, with the first 32½ feet running $3.25. Deeper in the hole another 2½ feet section returned $5.95, with 20 feet, averaging $1.18 between 262½ and 282½ feet. The next three holes will be drilled close to the granite contact in an area where more quartz is evident at surface.

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Eva Lake Gold Mines announces that a second payment, amounting to $4,500, has been made on the property in Beardmore district adjoining Northern Empire and recently acquired under option. The payment was made two months before the date set under agreement and no further sum is due until March, 1938. In view of results obtained by underground development on the group, it has been decided to exercise the option in full. Arrangements are being made to provide funds for further payments as they fall due. To speed underground work, an extra shift has been added.

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Kirkroyale Gold Mines, formed to acquire former Conroyal property between Lakeside Kirkland and Kirkking, reports that all levels are being intensively sampled. Company intends to map, sample and assay ore zones already exposed on the several levels at 300, 550, 800, 925 and 1,155 feet. A survey and sampling of the rock dump has been completed, revealing values up to .31 oz., it is reported. Kirkroyale expects to encounter the most important values on the lower levels.

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Lochgold Mines has to date located seven veins in surface exploration at the property in Goudreau section of the Lochalsh-Goudreau area. Word from the property is that the twin veins known as the "Camp" and No. 1 are the most important so far disclosed. No. 1 vein has been stripped for 300 ft. The "Camp" vein varies from one to twelve feet in width. It has been stripped for 350 feet and traced for over 1,000 feet. Both occurrences are being prepared for sampling. Diamond drilling will follow.

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Margaret Red Lake has started a three-compartment shaft on its property east of McKenzie Red Lake Gold Mines. First rounds have been taken out. The shaft will be carried 300 feet, with two levels to be established. Margaret Red Lake holds 51 claims in the Red Lake area. Capitalization is three million shares, of which 1,330,005 were issued as at Aug., 1936. Of these, one million shares were pooled. The company has ratified a financing agreement calling for a firm commitment of treasury shares to net it $50,000. An option will be given on the remaining treasury shares.

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McDougall-Segur Exploration Co. advises the Toronto Stock Exchange that since the last annual report it has purchased a 3% net royalty to be converted into 30,000 shares of stock of the Royal Crest Petroleum (in addition to the 5% shown in the balance sheet) and has also purchased a 5% net royalty to be converted into 50,000 shares of Vulcan Brown Petroleum.

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New Ribago Mines has stripped for over 400 feet on surface a newly-discovered vein in the southern section of its property in Rouyn and Boischastel twps., Quebec. The vein strikes east-west and an outcrop of apparently the same material has been located about 800 feet to the east. A crew is blasting into the latest discovery and surface stripping is being carried out in the intervening ground to extend its length and that of the outcrop.

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Planet Gold Mines will start a surface crew working on its Michipicoten property immediately in an attempt to pick up the extension of the Stanley Gold Mine's showing, Douglas S. Baird, managing director reports. Stanley Gold has explored a sheared zone on its property for several hundred feet. Sheared quartz area is about 18 feet wide and on to claim 8,109 of Planet Gold Mines. Assays run to $8 per ton. Planet Gold Mines holds in addition to its Michipicoten property the Authier property in Kirkland Lake area, upon which a diamond drilling campaign has just been completed, shaft-sinking having started.

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Pre-Cambrian Investments Ltd., Canadian mining investment trust, has been granted registration by the Securities and Exchange Commission, Washington, for the sale of 800,000 shares in the U.S. at $1 per share. In addition to the shares covered by the registration, the company has 140,000 shares remaining in the treasury. Tentative arrangements have been made for the placement of the shares covered by the registration statement in New York, and it is proposed to drill the company's property in Kirkland Lake.

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Sanshaw Mines in Red Lake area expects shortly to forward to shareholders a report on diamond drilling results. It is reported that an ore body 350 feet long, with one end still open, grading $6.50 per ton across width of approximately 20 feet, has been indicated. On completion of an electric mining plant a shaft will be sunk to 250 feet.

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Shenango Gold Mine reports that the shaft is now at 35-foot depth and that the vein which averaged four inches in width on surface, has, at 25 feet, widened to eight inches and now at the present bottom is 16 to 18 inches wide. The company reports that various adjustments have been made to the mill equipment and with the new cyanide unit in operation, it expects to resume production shortly.

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Southern Golds in drilling recently at its South Carolina property has encountered the best vein widths so far revealed, officials report. They announce that diamond drilling of the No. 4 vein, which on surface showed widths up to 10 feet, encountered the vein about 200 feet down, showing a width of over 30 feet with the core well mineralized. The vein was traced on surface for about 2,000 feet.

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Strathy Basin Mines reports that the 100-ft. level has been reached at the Chester twp. property. Crosscutting to the vein began recently. H. Borgford, consultant, reports that a new discovery five feet wide has been made on the Temagami property, and that two channel samples taken from this vein returned assays of $10.50 and $11.20.

Report Smelter Planned On Pacific Coast of B. C.

From Our Own Correspondent

VANCOUVER.—Reports that Consolidated Mining & Smelting Co. may establish a smelter on the coast, close to the site of the smelter until last year operated by Granby Consolidated Mining & Smelting Co. were strengthened by the transportation of diamond drilling equipment from Big Missouri to Anyox on the coast a few days ago.

It is understood that Smelters will carry on an active diamond drilling campaign in the Hidden Creek and other ore deposits around Anyox with a view to determining future policy.

If the plant is established it will be an important factor in the development of coast mines, notably Coast Copper, George Copper and Sunloch, and it is probable that a large percentage of the ore and concentrates now shipped to Tacoma, Wash., would be handled at Anyox.

Toronto Lists South End Pet.

Company Has Varied Holdings in Alberta Oil Fields

The Toronto Stock Exchange has approved South End Petroleum Ltd. for listing and the stock was posted for trading July 27.

South End Petroleum was incorporated with a Dominion charter on June 1, 1929, with an authorized capitalization of two million no par value shares of which 1,152,923 were outstanding as of June 26. Pooled stock comprises 600,000 shares subject to release by Toronto Stock Exchange and Ontario Securities Commission. An option agreement was entered into last June on three 200,000-share blocks of stock at prices of 15, 20 and 25 cents a share. The stock may be taken up in installments of 100,000 shares each at 30-day intervals.

The properties are held under lease of the Province of Alberta and comprise 360 acres in South Turner Valley, 480 acres in the northern part of the valley, 40 acres on the Banner structure, 40 acres on the Ranchman's Arca structure, 80 acres on the Weymarn and 1,000 acres on the Battleview anticline. The company holds an undivided one-half interest at Highwood Sarcee, 320 acres and a further undivided one-half interest on 320 acres with Pacalta Oils.

Well Drilling

South End's No. 1 well is being drilled on L.S.D. 3, Sec. 36, Twp. 18, Range 3 and has reached a depth of 4,525 ft. and being cased to within 100 ft. of the bottom. A contract has been made to drill an additional 1,000 ft. which should bring the well into the producing horizon of the Palaeozoic line. On this well a 15% gross royalty is payable to Highwood Sarcee, 20% is returned to South End and of the balance Pacalta Oils then receives 50% and the company a like amount after deduction of production costs and any government royalties, taxes, etc.

The company is endeavoring to have the well come under government regulations as an exploratory test well; in such case no government royalty is payable until the full amount of drilling costs has been recovered from production.

Grade $14.93 a Ton At McKenzie Red Lake

For the first six months of the current year, McKenzie Red Lake Gold Mines milled 28,473 tons for a total value of $425,310 or a grade of $14.93 per ton.

During the period, installation of the new hoist to serve the mine levels below the 450 was almost completed, having been held up waiting delivery of electrical equipment. Opening of the two lower levels will be facilitated by this installation, W. D. Armstrong states. Diamond drilling has indicated several new veins in the hanging wall of the main shear on the lower levels.

On the 550-foot level north of the winze, drifting has been done on a quartz vein about 40 ft. to the west and parallel to the main shear in which ore had previously been developed. Work on this new vein has indicated a length of 214 feet of ore. A new vein striking westerly from the main shear, about 100 feet south of the winze on the 650-foot level has been drifted on for a distance of 200 feet. The last 100 feet is in ore and developments are being continued.

All ore stoped during the six months of this year has been supplied by the 250-, 350- and 450-foot levels supplemented by developments mucked from the lower levels.

With the completion of the winze hoist and skips, it will now be possible to push development work below the 450-foot level.

For the first half of the year the average daily milling rate was 157 tons with a 97.9 percentage of extraction.

Yama Lets Contract For Larder Drilling

Yama Gold Mines is pushing work on all three of its Larder Lake claim groups, placing particular emphasis on discoveries made on the Bileski or No. 3 property, according to Dr. Harold G. Way, consulting engineer. The company has contracted for a minimum of 4,000 ft. of drilling, and expects to have a rig on the property within a fortnight.

A geological map has been prepared in an endeavor to ascertain the proper field relations of the rocks underlying the Bileski group, but Dr. Way points out that there are certain geological features of economic importance that can be revealed only by diamond drilling. All surface exposures of the mineralized zone dip into low ground. The company reports that preliminary assays from its recent strike on the Bileski have shown good ore. The property is southeast of Martin-Bird.

Slight Gain in Profits For McIntyre Porcupine

A net profit of $1.07 per share is shown by McIntyre Porcupine Mines Limited for the second quarter of 1937. This compares with $1.02 a share earned in the second quarter of 1936.

Quarterly earnings for the two periods follow:

Quarterly Earnings
Three Months Ended June 30

	1937 $	1936 $
Gross income	2,118,460	2,035,933
Oper. exps., incl. dev.	1,050,873	970,032
Approp. for taxes	175,795	183,281
Depreciation	37,917	72,604
Net income	853,875	810,016
Earnings per Share	$1.07	$1.02

English Electric Co. Stock Listed in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange has listed 10,000 additional class A and 10,000 additional class B shares of English Electric Co. of Canada.

The additional listing brings the number of outstanding class A shares to 46,190 and the class B shares to 50,000.

The purpose of the issue is to provide additional working capital to finance present expansion of the business of the company and for plant additions and improvements.

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QUEBEC MANITOU

Development of this property has indicated a very large tonnage of zinc-gold-silver ore which will be opened up underground as soon as the shaft now being sunk reaches its initial objective of 500 ft.

In view of its importance we have prepared an analysis in detail which we shall be glad to mail on request.

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B.C. Syndicate Buys Control Of Union Line

Powerful Group Acquires British Interest in Steamship Line

C.P.R. PARTICIPATING

From Our Own Correspondent

VANCOUVER. — A syndicate of Vancouver businessmen will acquire control of Union Steamship Co. which operates 15 vessels in the British Columbia coast trade. The transaction, involving more than $1 million, is virtually completed.

Union Steamship Co. has been an important factor in coast transportation for more than a dozen years, since British interests bought out the old Boscowitz line and other services and formed a merger that would dominate the shipping between Vancouver and the west coast settlements not served by the Canadian Pacific Railway. It is understood that there has been a sort of working arrangement between C. P. R. and Union not to compete directly and this has generally been satisfactory to both companies inasmuch as there has been no direct conflict in the interests served.

C. P. R. has been chiefly active in services to Vancouver Island and the larger communities north to Alaska. Union has concentrated on serving with smaller vessels the logging settlements along the coast, pulp and paper and lumber towns and the important resort spots in the Gulf islands.

Local Direction

Major result of the present move is to give local direction to a company which since its inception has been owned in the British Isles, chiefly by the wealthy Welsford interests of Liverpool.

The Vancouver syndicate composed entirely of active businessmen, all of them leaders in a variety of fields, will give the company aggressive management and it is probable that expansion may follow in the direction of construction of new ships and the opening of new trading spheres. Public participation to the extent of about $150,000 in stock may be authorized.

Major Harold Brown, for years manager of the Union Steamship Co., will continue as chief executive of the new company.

E. E. Buckerfield, grain man and recently appointed a director of the Imperial Bank of Canada, has been one of the chief influences in bringing about the deal. It is also known that Consolidated Mining & Smelting Co., C. P. R., B. C. Power Corporation, B.C. Telephone Company, Canadian Fishing Company and several of the larger grain and shipping companies are represented.

Mining Company Charters

Armour Lake Gold Mining Syndicate—Ont. incorp. July 5, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Canuck Oil & Gas—B. C. incorp. July 6, 1937. H. O., 612 Vancouver Block, Vancouver, B.C. Auth. cap. 2,000,000 shares, 50 cents par.

Commercial Gold Mines—Ont. incorp. June 30, 1937. H. O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Delwin Mines—Ont. incorp. July 5, 1937. H. O., Toronto. Auth. cap. 3,000,000 shares, $1 par.

Eastmac Holdings—Que. incorp. June 30, 1937. H. O., Val d'Or, Que. Auth. cap. 20,000 shares, $1 par.

Harfair Mining Co.—B. C. incorp. July 6, 1937. H. O., c/o MacNeill, Norris & Pratt, 602 Hastings St. W., Vancouver, B.C. Auth. cap. 400,000 shares, 50 cents par.

Hartford-MacClure Gold Mines—Ont. incorp. June 28, 1937. H. O., Windsor. Auth. cap. 3,000,000 shares, $1 par.

Norbec Mines — Que. incorp. June 22, 1937. H. O., Noranda. Auth. cap. 20,000 shares, $1 par.

Extra-Provincial Company

Northern Gold Placers, Inc.—B. C. registration July 10, 1937. H. O. outside B. C., 855 Empire Bldg., Seattle, Wash. H. O. in province, 716 Hall Bldg., 789 Pender St. W., Vancouver, B.C. Paid-up capital of company $43,155.

Quebec Exploration—Que. incorp. June 22, 1937. H. O., Montreal. Auth. cap. 4,000 shares, n.p.v.

Sidaris Mining Syndicate—Ont. incorp. July 7, 1937. H. O., Ottawa. Auth. cap. 35,000 shares, $1 par.

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Shafts, Dumps, Mills Result of 1936 Boom In N.W. Quebec Belt

Three New Mills Next Year Indicated by Survey of Area

MALARTIC FEATURE

From Our Own Correspondent

ROUYN, Que.—As the 1937 mining season swings into its midsummer stride it becomes increasingly evident that the tumult that attended the exploration campaign of last summer has given way to the more substantial type of progress that leaves its mark in the shape of headframes, ore dumps and mills across northwestern Quebec's hundred miles of goldfields.

Underground development is going on at a greater number of properties than ever before in this area's history, and results are giving definite support to the opinion that Quebec will have at least three new mills within the next year.

The Malartic section is claiming its share of attention. East Malartic is sinking a third shaft, and tentative arrangements for a moderate tonnage mill are being completed. Sladen Malartic has announced mill construction, and Malartic Goldfields is to sink a shaft on its property, where an ore body showing average width of 3.5 feet and average value of $18, has been uncovered over a length of 1,100 feet.

Many Shafts Planned

Shaft sinking activity is at a new peak in Cadillac twp., where three adjoining properties are making plans to go underground. Pandora and Wood Cadillac are clearing sites for shafts within a stone's throw of each other, and both plan to investigate the area that returned good values during the recent joint diamond drilling campaign. Amm Cadillac is also making ready for shaft sinking to explore sections that "kicked" sensationally in preliminary exploration.

Thompson Cadillac has announced plans for mill enlargement, and O'Brien continues to maintain its self-imposed quota of $100,000 production every four weeks. Pan Canadian, in the southeasterly section of the township, is beginning work underground and has announced that a small mill will likely be in operation by the latter part of the year. Lapa Cadillac development is meeting with encouragement, and indications point to a good tonnage of commercial ore. Central Cadillac and Kewagama are both probing the eastern extension of the so-called O'Brien break, and results have been of such interest that both are conceded good chances of picking up some "sweetener" of bonanza material.

Harricana-Siscoe Area

In the Harricana-Siscoe section several prospects are coming through with results that would suggest further extension of the producing belt in this neighborhood. Payore is working on two levels, and has an aggressive programme mapped out for the coming season. Harricana Amalgamated, operating within the limits of the town of Val D'Or, is shaft sinking to a depth of 300 feet. Dorval Siscoe is planning on electrification of its island property by running a cable from the mainland across the bottom of Lake Dubuisson. Siscoe Extension is probing its holdings in an attempt to prove up a continuance of Siscoe's bountiful ore-providing "K" zone. Underground work has been curtailed to some extent at Kiena and Wisik, twin properties in the Parker Island vicinity, but it is officially announced that work will be resumed on a broader scale in the immediate future.

To the east, Beaucourt, Beaufor, and Cournor are adding to the scene of activity, while further afield Bruell, Avocalon, and Lacoma are working underground.

Stadacona to Deepen Shaft

In the western section, Stadacona is planning further deepening of its shaft. Waite Amulet has resumed productive activity, and Aldermac Copper has increased its daily output to an average of about 450 tons, in preparation for its impending step-up to 1,000 tons daily. Shaft-sinking is planned for the Wildcat property in Beauchatel twp. Powell Rouyn is having its ore treated by Noranda, and operations are reported to be profitable and satisfactory.

Sherritt Gordon Power Available

Stage Set For Reopening of Mine—Crew Near Full Strength

WINNIPEG. — Sherritt Gordon Mine will open within the next few days. Hudson Bay Mining and Smelting has given definite assurance power will be delivered by the end of the month.

Two additional trains have already been put in operation between Sherritt Gordon and Flin Flon to handle the 15 to 20 cars of concentrates which will be shipped weekly. The east shaft will be dewatered as soon as the mine opens and in the meantime ore is being drawn from the west shaft.

The mine will start with one unit of the mill in operation and capacity will then be gradually stepped up until 1,500 tons a day is being handled.

Current Chatter From Manitoba

From Our Own Correspondent

May Drill Pine Lake Gold

A diamond drilling programme for Pine Lake Gold is now under consideration. Pine Lake Gold is on the Echimamish River, east of Norway House. A considerable amount of surface work which included following the vein where exposed, a distance of about 250 feet, trenching and sampling, has now been done.

* * *

Manistik Down 225 Feet

Manistik Lake Gold Mines has reached its second level at 225 feet. This depth was attained on July 12 according to information received at the company's offices in Winnipeg. The crosscut to the vein should be short and it is probable that by now, drifting on the vein on the second level is in progress.

Smelters Buys Claims On N. B. Zinc Property

MONTREAL.—Consolidated Mining and Smelting Co. of Canada has taken over 57 lead-zinc claims staked out on the Mill Stream, 15 miles from Bathurst, by Hon. C. T. Richard, provincial secretary-tresurer, George Gilbert, K.C., and others.

Recently representatives of Smelters visited the district where deposits of zinc and lead containing a proportion of gold, silver and copper have been located.

Suspend Sale Canusa Stock After Enquiry

SEC Charges Misleading Statements Made in Registration

"OPEN MARKET"

Canusa Gold Mines, with property in Whitney twp., Porcupine district of Ontario, has been notified by the Security and Exchange Commission of Washington that the registration statement under which the stock of the company could be sold in United States, has been suspended.

The Commission charges that both the prospectus and the registration statement include "untrue statements of materials facts and omit to state material facts."

The Commission in a lengthy finding takes issue with the registrant's statement that the company "carried on the business of exploration, development, mining, reduction, and refining of gold and other mineral-bearing ores." The Commission finds that the registrants "have not yet conducted, successfully, any mining business. The evidence adduced at the hearing shows that its major activities since its creation in 1932 have been confined to the sale of its capital stock through the granting of various options to individuals and syndicates and through its own selling agents, and to some exploratory work upon the Scottish Ontario claims."

The proceeds from the sale of its stock have been largely applied to payments on account of the purchase price of the six Scottish Ontario claims held under option. The reports state that although the registrant has worked the six claims intermittently, only $960.68 worth of gold from free milling ore had actually been produced in 1932. While there are some undeveloped and spotty showings of free milling ore elsewhere on the property the source of free milling ore previously worked has faulted out.

"Over-the-Counter Market"

The Commission also is critical of the fact that the registrant advised the investing public that the registered stock would be offered and sold at the current over-the-counter market price. This answer is challenged as misleading in that it omits to disclose not only that this market is erratic and at times nonexistent but that "the underwriter has stabilized or otherwise manipulated the over-the-counter market in Canusa stock and will continue to subject the market to influence other than the normal forces of supply and demand." The trial examiner found that Outlook Investments Ltd., the underwriters, had "directly and indirectly engaged in a series of over-the-counter market operations for the purpose of artificially controlling or influencing the market price on the basis of which the registered issue was to have been offered and sold to the public."

J. K. Gamble and Brothers

"The underwriter," states the report, in speaking of Outlook Investments, "is under the control of J. K. Gamble and his brothers, although Gamble dictates its policy. Gamble, a resident of Canada, who conducts several security businesses in Toronto, Canada, through the medium of different corporations, including the underwriter, Outlook Investments Ltd., and R. C. Beaton & Co., testified that these corporations 'are Gamble and associates and there are supposed to be less than a dozen interested in them'."

Although Outlook Investments Ltd., which agreed to purchase 400,000 shares of stock at five cents per share on a firm commitment basis, made no purchases of the stock in the open market, its affiliate, R. C. Beaton & Co., was actively engaged in buying and selling it on the market as the agent for the underwriter during August and September, 1936, the report finds. Under the arrangement between these two corporations R. C. Beaton & Co. received a commission of one cent per share on all common stock purchased in the market at the direction of Outlook Investments Ltd. During this market operation, admittedly designed to sustain and control the price of the stock, the underwriters, according to the report, sold at least 3,700 shares of the stock loaned to it by the registrant's directors and stockholders to American customers through the brokerage firm of Dart & Co., and Lawson & Knight, while R. C. Beaton & Co., its associates concurrently spent approximately $40,000 in connection with the purchase of stock on the over-the-counter market. The record shows that at least 39,375 shares were thus purchased on the open market during this period for the account of, or at the direction of Outlook Investments Ltd.

Balance Sheet Deficiencies

The report points to several deficiencies in the balance sheet, the most serious of which results from the arbitrary valuation of capital assets at the par value of the stock issued in exchange for such assets. From shortly after its organization until August of 1936, the registrant sold about 400,000 shares of its stock at 30 cents per share less a 15% selling commission. Stock was issued for cash and services at 30 cents a share immediately after the acquisition of the assets. In valuing these claims at the par value of the stock, when the stock was in fact worth substantially less than par, the report states, "it is admitted by the officers and witnesses of the registrant that the resulting assets figures represented an arbitrary valuation."

Normetal Mining Corp. Issues Treasury Stock

From Our Own Correspondent

MONTREAL.—Normetal Mining Corp. has notified the Montreal Curb Market that 50,000 shares of treasury stock have been issued at 75 cents a share under the terms of the underwriting agreement. This brings the issued capital up to 3,188,118 shares, leaving 569,362 shares underwritten at 75 cents a share.

Gold Mines Lose Appeal For Greater Tax Rebate

From Our Own Correspondent

OTTAWA.—There will be no change in the depletion allowance which the federal income tax law concedes to gold mining companies and to the holders of gold mining securities.

As the law stands, gold mines have one-third of their income tax remitted to compensate for the depletion of the property's resources, while holders of gold stocks are given an allowance of 20% on the same grounds.

Recently, gold mining interests have sought to have these allowances increased. Their argument was that an increase in the depletion allowances would lend a stimulus to the entire gold mining industry which would be felt in every department from prospecting to production, with consequent improvement in the employment.

The plea was opposed by Hon. J. L. Ilsley, minister of national revenue, who pointed out that the sales tax, which is, if not a "poor man's tax," at least a levy which burdens the whole community, has been increased over the years to a maximum of 8%. Mr. Ilsley emphasized, by way of contrast, that the gold mining industry, through the depression, had not only enjoyed a guaranteed market for its product, but had had the value of its product increased by something like 70% by government action. The minister of national revenue is understood to have taken a strong stand against the possibility of justifying any further taxation favors — over and above existing depletion allowances —to the gold mining industry.

Mining News Concentrates

Capital Rouyn Gold has let a contract for diamond drilling of its Larder Lake property, says Colin A. Campbell, in charge of operations. As at Dec. 31, 1936, the company's balance sheet showed cash on hand amounting to $8,031, with no current liabilities. There were 3,000,000 shares outstanding at that date and 1,301,000 shares, the balance of 2,397,000 shares provided by the vendors of mining claims under agreement, available for the benefit of the company and held in trust.

* * *

Capps Gold announces that the crosscut on the 310-foot level of its North Carolina property has entered ore on the footwall side of the "Jane" vein. Grab samples taken from the vein are reported to have given high values. The 100-ton mill is expected to be operating during August.

* * *

Fernland Gold Mines, adjoining Omega in Larder Lake area, is continuing diamond drilling at the property. Another 2,500 feet remain to be drilled to complete the schedule. It is reported that a large body of medium grade ore has been indicated.

* * *

Fontana Gold Mines holding 20 claims in two groups, Duverny twp of northwestern Quebec, now has its shaft down 175 feet. Drifting along the indicated ore zone has begun. J. M. Forbes, consultant is supervising work.

* * *

La Roc Mines has been formed to develop a 25-claim group in Louvicourt and Vauquelin twps., Quebec. Present work is concentrated on exploring two veins varying up to nine feet in width. A crew of 12 men is carrying on stripping and trenching. Capitalization is three million shares.

* * *

Payore Gold Mines advises the Toronto Stock Exchange that the July installment of $10,000 under option agreement dated March 17 comprising 44,444 shares at 22½ cents has been received, bringing total issued capital to 3,543,826 shares. The next installment is payable by Aug. 15.

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Mining Company Reports

Howe Sound Co.

Earnings of $1,174,371 for the three months ended June 30 are reported by Howe Sound Co., a decrease of $707,729 from the first quarter. This decrease was caused, in part, by $380,736 non-recurring profit in the first quarter from the sale of stocked copper, and in part from the lower selling prices of lead, zinc and copper.

Copper production for the three months amounted to 7,694,305 pounds as compared with 7,151,828 pounds during the first quarter. Gold production showed an increase of about 500 ounces over the previous year.

On a six months' basis, earnings per share showed great improvement over last year. Net profits before depletion and before surtax on undistributed profits, amounted to $6.45 as against $2.30 during the first half of 1936.

Income Account
Three Months Ended June 30

	1937 $	1936 $
Gross earn.	4,565,175	2,974,155
Less: Oper exps.	3,338,277	2,521,006
Oper. profit	1,226,898	453,149
Add: Other income	36,583	184,214
Total income	1,263,481	637,363
Less: Depreciation	89,110	75,958
Net profit*	1,174,371	561,405

*Before depletion, and, in 1937, before surtax on undistributed profits.

Earnings per Share	$2.49	$1.15

Income Account
Six Months Ended June 30

	1937 $	1936 $
Gross earn.	10,704,560	5,923,300
Less: Oper. exps.	7,538,928	5,043,968
Oper. profit	3,165,632	879,332
Add: Other income	64,531	360,768
Total income	3,230,163	1,240,100
Less: Depreciation	173,692	149,677
Net profit*	3,056,471	1,090,423

*Before depletion, and, in 1937, before surtax on undistributed profits.

Earnings per Share	$6.45	$2.30

Matachewan Consolidated

An estimated total profit, before depreciation, deferred development and taxes, of $33,877 is reported by Matachewan Consolidated Mines, subsidiary of Ventures Ltd., for the three months ended June 30, 1937. This compares with $20,502 during the first three months and with $13,786 during the three months ended June 30, 1936.

Quarterly Earnings
Three Months Ended June 30

	1937 $	1936 $
Net inc. from produc.	181,447	99,437
Less: Develop. & oper. exps.	148,272	86,286
Est. oper. profit	33,175	13,151
Add: Non-oper. profit	702	635
Est. total profit	33,877	13,786
Tons of ore milled	33,029	13,603

*Before depreciation, deferred development and taxes.

Beattie Gold

Estimated total profit of Beattie Gold Mine (Ventures subsidiary) dropped to $192,716 for the three months ended June 30. Last year's figure was $225,531. The management attributes the drop to a slide of accumulated stripping which ran down into the east glory hole early in June and limited tonnage milled.

Quarterly Earnings
Three Months Ended June 30

	1937 $	1936 $
Net inc. from produc.	484,070	506,811
Less: Develop. & oper. exps.	291,436	283,641
Est. net profit	192,634	223,170
Add: Non-oper. profit	82	2,361
Est. total profit*	192,716	225,531
Tons of ore milled	134,320	136,290

*Before depreciation, deferred development, depletion and taxes.

Coniaurum

Total profit before depreciation, deferred development and taxes, of Coniaurum Mines (Ventures subsidiary) amounted to $58,302 as compared with—$81,358 in the second quarter of 1936. During the second quarter of this year, 40,305 tons of ore were milled as against 42,160 last year.

Quarterly Earnings
Three Months Ended June 30

	1937 $	1936 $
Net inc. from produc.	352,500	349,965
Less: Develop. & oper. exps.	316,400	276,165
Est. oper. profit	36,100	73,800
Add: Non-oper. profit	22,202	7,558
Est. total profit*	58,302	81,358
Tons of ore milled	40,305	42,160

*Before depreciation, deferred development and taxes.

Note:—The difference in operating costs is caused by $46,493 for shaft sinking in the second quarter of 1937. There were no expenditures under this heading in the same quarter of 1936.

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Hudson Bay Mining

Would you give me the analysis of the standing of the company and the possible appreciation in value of the stock of the Hudson Bay Mining & Smelting Co.?

Hudson Bay Mining & Smelting Co. had the most successful year in its history in 1936. Increased prices for copper and zinc, the company's chief products, were largely responsible for the improvement over the previous year. In addition, production of gold, silver and zinc reached a new high. Total value of metal sales was $11,349,879 in 1936 compared with $10,453,665 in 1935. Costs per ton, due largely to higher wages, increased to $3.89 in 1936 from $3.70 in the previous year. A further increase in wages went into effect on April of this year.

Net profits amounted to $3,692,075 or $1.34 per share in 1936, compared with $1.17 per share in 1935.

Working capital at the end of last year amounted to $6,645,749, a substantial increase over the previous year.

Ore reserve estimate was not revised in 1936, but it is known that the company's ore is sufficient to assure operations for at least 15 years.

General costs will probably be higher this year, due to wage increases mentioned above, higher commodity prices, and the fact that the company is treating more and more ore from underground.

An increase in copper production now appears likely in 1937 with the drawing of slightly higher grade copper ore from the underground workings. Base metals are in a fairly strategic position at the present time and the average price for the company's products will probably be higher this year than it was throughout 1936. Accordingly and despite probably higher costs, a continuation of the upward trend of earnings experienced during the last few years appears probable this year.

Gull Kirkland

Please give me some information on Gull Kirkland Mines.

Gull-Kirkland Mines holds a gold prospect in Lebel twp. of the Kirkland Lake camp which is at present inactive. The company completed a drilling programme on its holdings but had to suspend operations late last year because of insufficient finances. The recent market decline has made it difficult for the company to raise additional money with which to carry on exploration and development work but, pending the securing of finances, a report has been received from the engineer which is sufficiently interesting to warrant further work as soon as the necessary money can be raised, officials state.

Bartlett Mines

I have some shares in Bartlett Mines. Any information you can give me will be appreciated.

There is, as far as we can ascertain, no equity in the shares of Bartlett Mines which held property in the Gowganda some 25 years ago. Many years ago, this property was purchased by Crews McFarlane Mining Co. which was dissolved in 1922. The property was acquired by Hercules Silver Mines Ltd. Bartlett shareholders had no equity in Hercules which company is in any event defunct and the stock of no value.

Waite-Amulet

I understand that Waite Amulet Mine is again entering production, and that Noranda owns 53% of the stock. I estimate it should be earning 50 cents a share. What is your estimate?

Waite-Amulet Mines Ltd. operates two copper-zinc properties in the Rouyn district of Quebec. The mill on the Amulet property is equipped for production at the rate of 350 tons daily. This mill resumed operations on July 2, 1937, and is now handling approximately 100 tons per day. The rate will be gradually stepped up to 350 tons.

The company is capitalized at three million shares, no par value, all of which is outstanding. Noranda Mines Ltd. owns 1,870,113 shares, giving it a 62.33% control.

Ore reserves at the Waite property are estimated at 467,450 tons averaging 6.08% copper, with values of 0.05 ounces in gold and 0.5 ounces in silver. In addition there are 300,000 tons of ore averaging 11.43% zinc. Reserves at the Amulet property are estimated at 488,935 tons averaging 3.09% copper, 11.43% zinc with values of 0.049 ounces in gold and 2.37 ounces in silver.

Fluctuations in the price of copper and zinc add to the difficulty of estimating earnings. However, it is fairly obvious that at present prices for these metals, the company can operate at a substantial profit.

At the end of 1936, the company had current assets of $130,694 against current liabilities of $17,899 leaving a working capital position of $112,795, so that it is already in fairly sound shape.

Reeves MacDonald

Your opinion of Reeves MacDonald Mines as a possible "comer" would be appreciated. I want to play safe, and don't want a straight speculation.

Reeves MacDonald Mines Ltd. owns and is developing a lead-zinc property on the Pend Oreille River in the Nelson mining division in British Columbia. Present work is being centred on the preparation of the mine for production. The company is controlled by Pend Oreille Mines and Metals Co. which brings to this property a background of experienced management. No definite announcement has been made regarding production, however, and it is thought that development work will not get into full swing until higher zinc prices are more definite.

To date, we would be inclined to describe the work done on this property as purely of an exploratory nature although several estimates have been made of ore reserves. In March, 1937, in refuting press estimates of four million tons of ore, Dr. J. F. Walker of the British Columbia department of mines, stated that between 1 million and 1.3 million tons of ore were in reserve in the Reeves ore body. In any event it is generally admitted that the property to date is quite low grade and accordingly its ability to operate at a profit remains purely a speculation. At the end of February last, the company showed virtually no working capital (approximately $100) but reported that 220,000 shares are to be optioned at $1.82 per share to be taken up, 80,000 in 30 days, 70,000 in 60 days and 70,000 in 90 days. The company will receive $25,000 in consideration for this option if it is completed.

Sudbury Mines

What is the news on Sudbury Mines? Why was this stock removed from trading?

Sudbury Mines Ltd. holds nine claims, about 400 acres in Joannes twp., Que. In the Sturgeon River area, Ont., 15 claims, approximately 600 acres, are held around Oxaline Lake. Camp buildings are on this property and some surface work has been done.

In addition to these assets, the company holds 1,075,000 shares of Athabasca Portal Gold Mines and about 300,000 shares in Durbar Gold Mines Ltd.

The company's two groups of properties have not shown any particular merits or mine making possibilities. We understand that there are plans to form a new company to take over the assets of the present one on the basis of one new share for every five now held.

No official balance sheet has been issued, but the company reports a small amount of cash on hand and no current liabilities.

The shares were removed from trading on the Toronto Stock Exchange at the company's own request.

Canadian Kirkland

Will you let me know what is the present situation as regards Canadian Kirkland Mines, of which I hold a few hundred shares?

Canadian Kirkland Mines owns and is developing six claims in Teck twp., Ont., one mile southwest of Macassa Mines. In February, 1936, a diamond drilling programme was started in the number two shaft which has been sunk to 150 feet. Four holes put down indicated favorable structure, the company reported, but work was temporarily discontinued in the fall of 1936 owing to financial difficulties. The next work on the property is expected to be diamond drilling from the crosscut on the 800-foot level.

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Abitibi Plan Accords Right to Shareholders To Pay Off Debentures

Chairman of Bondholders' Committee Issues Comprehensive Analysis of Proposed Reorganization — Urges Early Action

A comprehensive analysis of the plan of the Bondholders' Committee for the reorganization of Abitibi Power & Paper Co. has been issued by its chairman, Joseph P. Ripley. After giving the history of the company's 1928 financing and subsequent default the analysis presents the following reasons for reorganization:

1. The Ontario Government wants Abitibi reorganized as soon as possible because the company's pulpwood concessions and water power rights require adjustments.
2. Abitibi needs substantial funds to rehabilitate properties and for working capital.
3. Only through reorganization can aggressive management and staff morale be rebuilt.
4. Bondholders have received no interest for over five years, their claims total $63 millions, or about $130 per $100 of bonds, and it is only through reorganization that the committee can see any practical means of giving bondholders an early return on their investment.

Mr. Ripley outlines the general considerations leading to the bondholders committee's plan as follows:

New Money Needed

"The committee is advised by the management that over $8 millions should be expended for replacements and improvements of properties during the next five years, and that the greater part thereof should be expended during the first two years. A substantial part of such expenditures is obligatory under the agreement with the Ontario Government. In addition, Abitibi requires a substantial amount of additional working capital over that which it now has in receivership. A calculation of requirements leads the committee to the conclusion that the proceeds of $14 millions of new securities should be provided. And it believes that provision of such amount, in comparison with lesser amounts which have been considered in connection with various plans relying on the use of future earnings for capital requirements, will benefit security holders through greater capacity of the reorganized company to pay interest and dividends.

"After consideration of various possible methods of providing new money, the committee is of opinion that money can be obtained on the best terms through sale of a senior security, i.e., first mortgage bonds, without giving up any options or conversion privileges. The committee has given consideration to other methods, but finds they inevitably involve the giving of a claim of some variety on the equity of the reorganized company at the expense of holders of existing securities; hence the proposed sale of $14 millions of first mortgage bonds for new money and distribution, for the account of the security holders of the old company, of all securities of the reorganized company representing the present Abitibi assets. For new money purposes, a term bond, with provision for partial retirement through a graduated sinking fund, has been selected as distinctly preferable to serial bonds involving early maturities in substantial amounts. . .

Securities for Bondholders

"The next consideration has to do with securities to be given to old bondholders in exchange for their claim. To the extent practical and sound, old bondholders should be given fixed interest bearing mortgage bonds. Various factors enter the equation in determining what aggregate amount of such bonds is consistent with sound practice. Engineers have reported estimated costs of reproduction of the physical properties, both before and after depreciation, and the estimated earning power of the properties at various rates of output and prices of newsprint. The funded debt structures and bond market quotations pertaining to other newsprint companies have been considered. A study of these several factors brings the committee to the opinion that a total fixed interest bearing funded debt of $35 millions to $40 millions should not be exceeded.

"Deducting the $14 millions of first mortgage bonds to be sold for new money leaves approximately $20 millions to $25 millions of fixed interest bearing mortgage bonds available for distribution to old bondholders. Hence, the issue of $24,133,500 of general and refunding mortgage bonds is proposed, which amount is equivalent to $50 for each $100 of old bonds. An interest rate of 5%, and a privilege of conversion into 3 shares of capital stock per $100 of general and refunding mortgage bonds, are selected as appropriate in relation to the proposed capital structure and the assets and earning power. The plan provides a reasonable amount of authorized but unissued bonds under the general and refunding mortgage, which bonds may be issued only under conservative restrictions, thus furnishing a medium for future financing for which sound occasion may arise.

"Next is the balance of the bondholders' claim amounting to about $80 for each $100 of old bonds. . . Distribution of common stock for the entire balance of the bondholders' claim is undesirable because it would involve the taking by the old bondholders of about $40 millions in value of common stock and would result in a thinning out of the position of old shareholders.

Income Obligations

"Distribution of preferred stock has been considered but abandoned in favor of income obligations because solicitors for the committee advise that interest on income obligations is deductible in arriving at taxable corporate net income, whereas dividends on preferred stock are not so deductible; and because the old bondholders should be given an obligation of the reorganized company constituting a claim on its earnings. In view of the aggregate of funded debt proposed to be outstanding in relation to assets, use of income debentures issued under a trust agreement containing suitable protective provisions is considered more in accordance with sound practice than use of income mortgage bonds. Hence the proposed distribution of income debentures.

"The income debentures have been designed so as to require the payment of interest from year to year to the extent earned up to a maximum of 5%. They have been made convertible into capital stock at the rate of 4½ shares per $100 of debentures during the first 10 years, except a period not greater than 15 months after the vesting of the assets in the reorganized company. The occasion for the conversion privilege attaching to the debentures arises primarily from the firm belief of the committee that old bondholders should be compensated by a reasonable conversion privilege for giving up the right to receive an obligatory fixed rate of return on a substantial part of their claims. Upon the expiration of the conversion privilege, interest on debentures becomes cumulative with provision for arrears becoming due at maturity.

"The Committee has selected $70 per $100 of old bonds as representing the appropriate amount of debentures to be issued. Selection of this amount results in the proposed total issue of $33,786,900 of income debentures and results in total funded debt, including debentures, of about $72 millions. The foregoing figure includes the $14 millions of bonds to be sold for new money and is accordingly equivalent to $58 millions of funded debt against the present Abitibi assets. Considered in relation to assets and estimated earning power, the committee believes the foregoing figures should not be exceeded. This leaves a remaining balance of claim of about $10 per $100, principal amount, of old bonds.

Distribution of Shares

"Next is the remaining balance of the bondholders' claim. The committee believes that capital stock constitutes the only form of security suitable for this purpose. Selection of one-half share to discharge the remaining balance of claim (about $10) pertaining to each $100 of old bonds represents the committee's opinion as to a reasonable settlement in relation to the aggregate number of shares proposed to be issued.

"The preferred stockholders' protective committee requested that old shareholders be given the right to subscribe for the shares into which the income debentures are to be convertible and thus, to the extent that such right is exercised, to pay off the debentures and thereby remove the conversion privilege of debentures so paid. Their request was based upon the entirely sound premise that shareholders have an inherent right to pay off creditors. Accordingly, the plan provides for the issue, for account of old shareholders, of transferable subscription warrants entitling the holders to subscribe for capital stock during a limited period expiring not later than 15 months after vesting of assets in the reorganized company. All proceeds from exercise of subscription warrants are to be applied to redemption of debentures by lot. During such period the income debentures will be redeemable upon 20 days' notice; and the subscription warrant agreement will provide that as often as $100,000 becomes available from exercise of subscription warrants, debentures are to be called by lot.

"The subscription warrant feature establishes machinery to afford shareholders an opportunity to pay off the greater part of the bondholders' claim through purchase of shares of the reorganized company. In order to make this arrangement practical, the conversion privilege of debentures is not to become effective until 30 days after expiration of subscription warrants.

"Next is the matter of unsecured creditors. The committee believes the most simple and practical method of dealing therewith is assumption of such remaining balance by the reorganized company. Hence provision therefor has been made in the plan.

Shareholders' Interests

"The next consideration has to do with the basis on which to deal with shareholders. Considering estimates of earning power as reported by independent engineers, it seems clear that with reasonably favorable conditions in the newsprint industry, Abitibi should earn more than an interest return on the aggregate claim of the bondholders. Accordingly, it is appropriate that the plan makes provision for shareholders. Capital stock constitutes the only reasonably available form of security to be issued for such purpose. The number of shares (1,383,665) to be issued for account of old shareholders, plus the number of shares (241,335) to be distributed to old bondholders, results in a total of 1,625,000 shares to be outstanding prior to any exercise of subscription warrants or any exercise of conversion privilege of debentures or of the general mortgage bonds. The committee believes the foregoing total is reasonable in relation to conversion prices, the periods of time during which the general mortgage bonds and debentures are to be convertible, and the number of shares of capital stock to be distributed to old bondholders.

"On recommendation of the preferred stockholders' protective committee, the plan makes provision for dividing the 1,379,675 shares and the 1,989,331 subscription warrants among old shareholders. The old bondholders are directly concerned only with the nature and amounts of securities which they are to receive for their bonds in relation to the aggregate consideration to be made available for all parties. Accordingly, the bondholders' committee has not taken part in determining the ratios of division of shares and warrants among the shareholders.

"The plan authorizes issue of 50,000 stock purchase warrants, issuable from time to time to officers and employees in the discretion of the board of directors. The stock purchase warrants will permit holders to purchase, prior to July 1, 1942, capital stock at prices to be fixed by the board of directors at the time of issuance of warrants, to be not less than $20 per share. The Abitibi operating staff is entitled to every consideration. They have worked through five years of receivership and have rendered loyal, painstaking, and efficient service; and it was due to no fault of theirs that the company went into receivership. The committee believes in the fundamental principle of profit sharing with management through stock options or otherwise. Such plans, properly constructed and administered, often redound to the benefit of the shareholders. Accordingly, the plan makes provision for the issue of stock purchase warrants which may be distributed to the active operating management."

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Bondholders Confident Abitibi Plan Will Carry

(Continued from page 1)

bonds for cash. It is understood that Dominion Securities Corp. is in line to manage the sale of the issue through British and Canadian investment firms if the plan is completed.

What Investors Would Get

After issue of new first mortgage bonds, holders of present securities would receive new bonds and shares as follows:

$100 of bonds—$50 of 5% convertible general mortgage bonds, plus $70 convertible debentures, and one-half share common stock.

$100 share of 7% preferred—five common shares and warrants to purchase another five at $17.50 each.

$100 share of 6% preferred—3½ common shares and warrants to buy another four shares at $17.50.

Common shares—one-tenth new share and warrants to buy an additional half share at $17.50 per share.

Each $100 of general mortgage bonds would be convertible into three shares or at $33 1/3 a share. Each $100 of debentures would be convertible into 4½ shares, or at $22.22 a share, from the end of the first year to the end of the 10th year.

The initial capital, before exercise of any subscriptions or conversions would be:

	To be authorized	To be issued
4½% 1st mtge. bds.	$14,000,000	$14,000,000
Gen. & refunding bonds	50,000,000	24,133,500
Income debentures	33,786,900	33,786,900
Common	5,000,000 sh.	1,625,000 sh.

Distribution of the common stock among the various groups of present securities, before and after exercise of subscription warrants would be:

	Before exercise of warrants shs.	After exercise of warrants shs.
Present bonds	241,335	241,335
7% preferred	50,000	100,000
6% preferred	1,220,863	2,616,135
Common	108,812	652,871
Other purposes	3,990	3,990
Total	1,625,000	3,614,331

Alternative Results

If, however, no subscription warrants were exercised, and all bond conversions were made, there would be 3,869,416 shares outstanding, of which the present bondholders would have 2,485,751; and the shareholders' proportions would remain as initially issued.

The basic alternative in the plan therefore is this: that shareholders, by exercising subscription warrants, can buy off the bondholders and the conversion privileges, but that otherwise, bondholders might obtain the majority of the final share capital.

The subscription warrants are to terminate not over 12 months after issue of new securities and transfer of the assets to the new company.

General Mortgage Bonds

The authorized issue of general mortgage bonds is $50 millions, slightly more than double the amount required in the reorganization. Additional bonds may be issued under the general mortgage to refund the new first mortgage bonds.

There are restrictions on issue of additional bonds including a provision that new bonds, shall not be issued for more than two-thirds of the capital cost of additions and betterments, or unless net earnings available for all bond debt interest are twice fixed interest charges. The sinking fund is to be 15% of consolidated net earnings after general mortgage interest.

Convertible Debentures

The convertible debentures are to be entitled to all available net earnings up to 5%. The interest is to be determined annually, but the directors are to make interim payments each year when earnings are sufficient.

Debenture interest is to be cumulative after July 1, 1947. Sinking fund is to begin on May 15, 1940, and is to be 10% of consolidated net earnings after debenture interest.

All cash received from exercise of subscription warrants by old shareholders is to be applied to redemption of debentures at par, the trustee to call debentures by lot, whenever $100,000 has been accumulated for the purpose.

Split Directorate

Management of the new company is to be under a board of directors of 15 members. Eight class A directors are to be nominated by the bondholders' meeting and shall serve at least until 1943 or beyond then under certain defined conditions. The other seven directors are to be elected annually by shareholders. When the debentures are reduced to $3 millions or less, all directors are to be elected by the shareholders and the distinction between class A and class B ceases.

The Key Man

Joseph P. Ripley Leading Figure in Abitibi Reorganization

Chairman of the Abitibi bondholders' committee, Joseph P. Ripley, is a key man in the reorganization proceedings, although he is not the type that admits his own eminence.

He is president of Brown, Harriman & Co. Inc., one of the major Wall Street distributors of securities, but is not listed in Who's Who because he prefers not.

A native of the western states, Mr. Ripley was educated in the East, and became connected with Abitibi when in 1928 The National City Co., of which he was then vice-president, participated in underwriting $50 millions of Abitibi bonds. Four years later Abitibi was in receivership.

Mr. Ripley has acted as chairman of the bondholders' committee at the request of City Company of New York, successor to National City, and continues to act at the further request of large bondholders including Canadian insurance companies, which may be regarded as an unsolicited testimonial.

Like other prominent Wall Street figures, Mr. Ripley is infrequently photographed, and newspaper pictures of him are either unavailable or unflattering. He is a big man physically, dark, curly-haired. When he speaks his mind in his bass voice he does it methodically and shows the logical thinking of long training in the figures of finance.

Ripley Reorganization Provides More Money

(Continued from page 1)

posed warrants to buy common shares are not similarly inter-dependent.

Possibilities for Bonds

Supposing none of the share purchase warrants is exercised under the Ripley plan, and all convertible bonds are exchanged into common stock, the present bondholders would eventually hold nearly 2.5 million shares, or over 63% of the total stock. If only the general mortgage bonds were converted into stock, the bondholders would have slightly over 22% of the shares.

Under the liquidator's plan, bondholders would not have any initial common shares. If the contention is correct that new common shares would be less valuable initially under the liquidator's plan than under the Ripley plan, there would be less likelihood of acquisition of stock by bondholders through conversions. Bearing that in mind, it would be possible, nevertheless, for bondholders to acquire over 36% of the total shares.

One striking difference in the plans is that the Ripley scheme provides lighter annual reductions in its proposed $14 millions of first mortgage bonds than does the liquidator's proposal. The Ripley plan is to retire half the $14 millions over 15 years with annual sinking fund payments starting at $450,000 and gradually rising to $650,000 in the last two years. The liquidator's plan provides for redemption of $1 million of serial bonds annually for nine years.

Comparison of the proposed capitalization follows:

COMPARISON OF PROPOSED CAPITALIZATIONS

	Ripley Plan	Liquidator's Plan
New money	$14 millions 4½% 15-year 1st mtge. bonds.	$9 millions 4-4½% 1-9 yr. serial 1st mtge. bonds.
Other bonds	$24,133,500 5% 20-year gen. mtge. bonds, convertible, $100 for 3 shares.	$28,960,200 5% 20-year 1st mtge. bonds, not convertible.
	$33,786,900 5% income debs. convertible, $100 for 4½ shares.	$35,717,580 5% 2nd mtge. income bonds, convertible. $100 into 4, 3½ or 3 shares.
Initial common stock	1,625,000 shares.	1,837,305 shares.
Stock purchase rights	1,989,331 shares.	326,435 shares.
Maximum common stock	4,388,336 shares.	3,413,855 shares.

Textile Workers Sever Affiliation With C.I.O.

U. T. W. Realigned With Canadian Trades and Labor Congress

Partly to dissipate the hostility of employers to C.I.O. affiliation, Canadian locals of the United Textile Workers, C.I.O. body, have severed this international connection and realigned themselves in direct charter connection with the Trades and Labor Congress of Canada. They were previously affiliated with the Congress, but only through the U.T.W. international headquarters in the United States.

The Congress has undertaken to organize textile workers throughout Canada around the nucleus consisting of the former U.T.W. locals in Toronto, Peterborough and Cornwall, Ont.; and Three Rivers, Que. Officials of both the C.I.O. and the American Federation of Labor are reported to be agreeable to the move.

Textile units of the National Catholic Unions, the All-Canadian Congress of Labor, and the Canadian Federation of Labor did not participate in the U.T.W. plan to create an all-embracing textile union linked with the Trades and Labor Congress. The Catholic syndicates are now engaged, under threat of strike, in pressing the Dominion Textile Co. for recognition and wage increases covering the firm's 7,000 workers in various Quebec plants.

Labor Spotlight

C. I. O. Defeat

The C.I.O.'s foot slipped in its first attempt to gain a toehold in the Canadian steel industry. After remaining out on strike for three weeks in an attempt to enforce demands for wage increases and recognition of the Montreal unit of the C.I.O. steel workers' union, 100 workers returned to their jobs at the W. R. Cuthbert plant under pre-strike conditions. The strike was marked by an effort of the Moulders' Union, American Federation of Labor affiliate, to wean molders among the strikers away from the C.I.O. steel union.

The collapse of the Cuthbert strike will likely result in postponement of the union's announced plan to bring to a head its attempt to force recognition from Peck Rolling Mills, Montreal, subsidiary of Dominion Steel and Coal Corp. Union demands have been submitted to the Peck management under veiled threat of strike of union men in the mills, but so far this has resulted in neither a strike nor a reply from the management.

The C.I.O. drive on the Canadian steel industry has also failed to make substantial headway in Hamilton, even if one accepts the suspectedly generous figures of Milton Montgomery of Hamilton, Canadian field representative of the Steel Workers Organizing Committee (C.I.O. offshoot). Montgomery himself estimates the number of steel workers in Hamilton at 7,000, but claims to have enrolled no more than 1,500 or less than 20% in the C.I.O steel union. Allowing for the discount which must usually be made of the estimates of union organizers, it is unlikely that more than 10 or 15% enrolment has been achieved in Hamilton. In some plants against which a concentrated campaign has been conducted, the percentage might be somewhat higher; in others almost negligible.

In April, the S.W.O.C. in Hamilton adopted a slogan of "all in by May 1" and issued hints that trouble might ensue after that date if union recognition and wage increases were not forthcoming. However, the wage increases and steadier employment given voluntarily by the companies at intervals since last fall appear to have left the workers more or less indifferent to the supposed advantage of paying toll to the C.I.O. for the privilege of working. Employees of the Steel Co. of Canada, Dominion Foundries and Steel, International Harvester and other plants have been subjected to union appeals for support.

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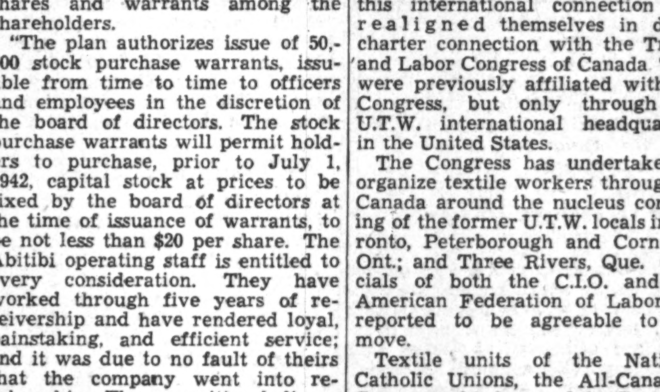

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Thank Your Hostess with an ELIZABETH ARDEN Week-End Box!

She's sure to appreciate this very complete Ardena pink and gilt week-end box for it contains cleansing cream, velva cream, muscle oil, velva cream mask, skin tonic, special astringent, Illusion powder, Cameo Illusion powder and cleansing tissues. $5.

"Gifts in the Modern Manner"

AIR-COOLED, STREET FLOOR
Simpson's